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VERMONT

Annual Financial Report

Fiscal Year Ended June 30, 1987

BUDGET AND MANAGEMENT
(802) 828-2376

FINANCIAL OPERATIONS
(802) 828-2311

STATE OF VERMONT
DEPARTMENT OF FINANCE AND MANAGEMENT
MONTPELIER, VERMONT 05602

December 31, 1987

Honorable Madeleine M. Kunin, Governor;
Honorable Thomas P. Menson, Secretary of Administration;
Honorable Members of the General Assembly;
and the General Public:

In accordance with the provisions of Title 32, Vermont Statutes Annotated, Section 182, I hereby submit, within the limitations of cash basis accounting, the State's financial activities for the fiscal year ending June 30, 1987. This report shows the major sources of revenue, the broad purposes of expenditures, and the condition and comparisons of funds with the prior year.

In our continuing commitment towards presenting the state's financial condition in conformance with generally accepted accounting principles, we have included the state administered retirement systems and trust funds. These funds, administered by the State Treasurer, were formerly included in his annual report. Evaluation of quasi-state organizations, based on criteria prescribed by the Governmental Accounting Standards Board for those organizations dependent on or controlled by the state, is continuing. The plan is to include those controlled by or dependent on the state in financial reports of future years. Comments on areas where this report varies from conformance with generally accepted accounting principles are included in the Auditor's Section and the Notes to Financial Statements Section of this report.

Last year, I reported a General Fund surplus of $2.9 million, the first year-end surplus since 1978. This year I'm pleased to report a General Fund surplus of $60.8 million at June 30, 1987. Slightly more than half the surplus can be attributed to higher than expected personal income tax collections. The entire surplus has been committed, the bulk of it being used to increase funding for state aid to education, establishing a budget stabilization trust fund and reducing unissued general fund bonds. Further explanation of its use can be found in the notes section of this report.

In conclusion, I want to express my appreciation to all who assisted and contributed to the preparation of this report.

Sincerely,

Patricia S. Walton
Commissioner

State of Vermont

Annual Financial Report

For the Fiscal Year Ended June 30, 1987

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Cover photo of Echo Lake in Plymouth, Vermont
through courtesy of Vermont Travel Division.

FINANCIAL SECTION

ALEXANDER V. ACEBO
AUDITOR OF ACCOUNTS

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DEPUTY AUDITOR OF ACCOUNTS

STATE OF VERMONT
OFFICE OF AUDITOR OF ACCOUNTS
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December 1, 1987

Speaker, House of Representatives
and
President Pro-Tem of the Senate
General Assembly, State of Vermont
State House
Montpelier, Vermont

We have examined the combined financial statements of the State of Vermont and the combining and individual financial statements of the funds and account group of the State as of and for the year ended June 30, 1987 as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 1, the State's policy is to prepare its financial statements for all its governmental funds, with certain exceptions, on the basis of cash receipts and disbursements. The State's governmental funds include the General Fund, Transportation Fund, Fish and Wildlife Fund, Special Fund, Federal Revenue Fund and Capital Projects Funds. This practice differs from generally accepted accounting principles. Accordingly, the accompanying financial statements for the aforementioned governmental funds are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

As described more fully in Note 1, the financial activities of the Vermont State College system and various State-created boards and authorities are not included in the financial statements referred to above nor has the State made a determination as to whether these other entities should be included therein to conform to generally accepted accounting principles.

As described more fully in Note 1, the financial statements referred to above do not include a Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual for the General and Special Revenue Funds as required by generally accepted accounting principles.

As described in Note 1, the State includes in its Long-Term Debt Account Group only those long-term liabilities for the payment of general obligation bonds and notes. It does not include a liability for any long-term portion of employees' earned accumulated vacation and other compensated leave benefits as required by generally accepted accounting principles.

As described in Note 1, the financial statements referred to above do not include a general fixed assets account group, which should be included to conform with generally accepted accounting principles. Because the State does not maintain accounting records for its general fixed assets, the amount that should be recorded in the general fixed assets account group is not known.

The State has excluded from the accounts of the Central Computer Services internal service fund in fiscal year 1987, certain installment payment obligations arising from the acquisition of equipment, which, in our opinion, should have been capitalized in order to conform with generally accepted accounting principles. If these obligations had been capitalized, the internal service funds' assets would be increased (decreased) by $1,510,080, current and total liabilities by $1,663,436 and retained earnings by $(153,356) as of June 30, 1987, and net income would be (decreased) by $(153,356) for the year then ended.

In our opinion, except for the matters referred to in the preceding paragraphs, the financial statements referred to above present fairly the assets and liabilities resulting from cash transactions of the governmental fund types and the financial positions of the proprietary and fiduciary fund types and long-term debt account group of the State of Vermont at June 30, 1987, and the governmental fund types' revenues collected and expenditures paid, and the results of operations of the proprietary and fiduciary fund types and the changes in financial position of the proprietary funds and similar trust funds for the year then ended, on the basis of accounting described in Note 1 for the governmental fund types and in conformity with generally accepted accounting principles for the proprietary and fiduciary fund types which, except for the inclusion of certain components of the reporting entity as described in Note 10, with which we concur, have been applied on bases consistent with those of the preceding year.

Alexander J. Acebo

Auditor of Accounts

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GENERAL PURPOSE COMBINED FINANCIAL STATEMENTS

STATE OF VERMONT

COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1987

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
ASSETS			
Cash and Temporary Investments (Note 1)	$ 65,822,156	$ 17,096,059	$ 35,832,765
Investments (Note 3)			
Receivables:			
Accounts (Net)			
Contributions			
Investment Principal and Interest			
Loans			
Other			
Unreimbursed Charges to Federal Aid Accounts (Note 1)		19,332,985	
Inventories at Cost (Note 1)			
Prepaid Expenses			
Restricted and Other Assets			
Fixed Assets (Net Book Value) (Note 4)			
Amount to be Provided for Retirement of General Long-Term Debt			
Total Assets	$ 65,822,156	$ 36,429,044	$ 35,832,765
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	$	$	$
Transfers Payable			
Accrued Payroll and Benefits			
Installments Payable on Equipment Purchases (Current) (Note 1)			
Deferred Revenue			
Revenue Collected in Advance			
Due to Clients and Agents			
Due to Depositories			
Amounts Held in Custody for Others			
Other Liabilities			
Payable from Restricted Assets			
Installments Payable on Equipment Purchases (Non-Current) (Note 1)			
General Obligation Bonds and Notes Payable (Note 7)			
Total Liabilities	$	$	$
Fund Equity (Notes 1, 2 and 9):			
Contributed Capital	$	$	$
Retained Earnings – Unreserved			
Fund Balances:			
Reserved for Encumbrances	2,971,716	2,460,943	6,334,027
Reserved for Amortization of Debt Service	1,037,820		
Reserved for Loans			
Reserved for Endowments			
Reserved for Pension Benefits			
Reserved for Unemployment Compensation Benefits			
Reserved for Contingencies			
Unreserved – Designated For:			
Continuing Appropriations	1,016,347	27,494,033	29,414,287
Subsequent Year Appropriations	44,330,000		
Stabilization Trust Fund	8,233,136		
Reduction of Unissued Authorized General Fund Bonds	8,233,136		
Other Specific Purposes		377,326	
Unreserved – Undesignated		6,096,741	84,450
Total Fund Equity	$ 65,822,156	$ 36,429,044	$ 35,832,765
Total Liabilities and Fund Equity	$ 65,822,156	$ 36,429,044	$ 35,832,765

The accompanying notes are an integral part of the financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Group	Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Long-Term Debt	June 30, 1987	June 30, 1986
$ 383,893	$ (1,734,561)	$114,067,578	$	$ 231,467,892	$127,302,716
		546,378,055		546,378,055	483,821,869
109,189	1,035,983			1,145,172	1,232,650
		19,714,184		19,714,184	19,285,456
		10,393,456		10,393,456	16,045,394
		959,871		959,871	147,233
		91,239		91,239	48,556
				19,332,985	21,400,661
3,347,703	1,519,183			4,866,887	5,173,475
193,295	114,712			308,008	323,744
373,929	436,451			810,380	861,538
606,421	14,389,316			14,995,738	15,508,171
			252,635,000	252,635,000	254,755,000
$ 5,014,433	$ 15,761,084	$691,604,386	$252,635,000	$1,103,098,872	$945,906,469
$ 1,434,444	$ 464,248	$ 3,714,497	$	$ 5,613,190	$ 26,493,514
		136,374		136,374	
351,153	426,225	–		777,378	715,323
	1,930,979			1,930,979	1,822,304
		2,697,823		2,697,823	3,075,556
3,512				3,512	3,094
42,483				42,483	45,501
		501,036		501,036	2,323,433
		86,596,531		86,596,531	73,628,294
		261,590		261,590	328,925
373,929	100			374,029	360,321
	2,844,317			2,844,317	4,784,803
			252,635,000	252,635,000	254,755,000
$ 2,205,523	$ 5,665,870	$ 93,907,851	$252,635,000	$ 354,414,246	$368,276,071
$ 703,935	$ 6,915,581	$	$	$ 7,619,516	$ 6,699,931
2,104,974	3,179,632			5,284,607	3,779,970
				11,766,687	8,677,786
				1,037,820	1,124,256
		2,236,502		2,236,502	161,859
		19,796,509		19,796,509	15,972,253
		465,024,133		465,024,133	407,831,301
		110,225,177		110,225,177	67,812,549
		414,212		414,212	534,827
				57,924,668	43,857,270
				44,330,000	
				8,233,136	
				8,233,136	
				377,326	2,605,256
				6,181,191	18,572,136
$ 2,808,909	$ 10,095,214	$597,696,534	$	$ 748,684,625	$577,630,397
$ 5,014,433	$ 15,761,084	$691,604,386	$252,635,000	$1,103,098,872	$945,906,469

STATE OF VERMONT

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES–ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1987

	GOVERNMENTAL FUND TYPES	
	General	Special Revenue
REVENUE RECEIPTS:		
Earnings of Departments:		
Contributions	$	$
Fees	3,138,443	9,501,010
Rents and Leases		5,474,110
Sales of Commodities		10,661,543
Sales of Service	992,372	62,711,625
Federal Grants		277,537,092
Fines, Forfeits and Penalties	6,396,823	2,385,908
Insurance Premiums Collected		
Interest and Premiums	6,212,579	333,686
Investment Income		
Lottery Transfer	7,987,876	
Licenses:		
Business	2,365,630	1,206,689
Non-Business		31,937,599
Special Assessments	2,718,992	9,722,265
Taxes	451,944,113	77,390,100
Other	529,982	11,532,598
Total Revenue Receipts	$482,286,814	$500,394,230
BUDGETARY DISBURSEMENTS:		
General Government	$ 23,353,234	$ 14,753,150
Protection to Persons and Property	29,819,607	24,936,686
Human Services	126,219,444	172,596,258
Manpower Services		15,745,053
Education	183,435,367	31,034,672
Environmental Conservation	9,503,128	13,307,807
Development and Community Affairs	5,615,211	8,980,313
Transportation		145,218,800
Public Service Enterprises		54,940,489
Debt Service	34,114,817	11,382,952
Property Tax Relief and Other Benefit Payments		
Insurance Claims		
Miscellaneous	8,300,000	11,448,482
Total Budgetary Disbursements	$420,360,810	$504,344,667
Excess of Revenues Over (Under) Expenditures	$ 61,926,003	$ (3,950,436)
Other Financing Sources (Uses):		
Proceeds from Sale of Bonds and Notes	$	$
Operating Transfers In	10,790,476	17,523,584
Operating Transfers Out	(15,093,771)	(14,759,500)
Increase (Decrease) in Receivables		(2,067,675)
Proceeds of Refunding Bonds		
Payment to Refunded Bond Escrow Agent		
Fund Additions		
Other Sources	121,845	4,250,975
Total Other Financing Sources (Uses)	$ (4,181,449)	$ 4,947,383
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 57,744,554	$ 996,947
Fund Balances, July 1, as restated (Note 9)	8,077,602	35,432,097
Fund Balances, June 30	$ 65,822,156	$ 36,429,044

The accompanying notes are an integral part of the financial statements.

Capital Projects	FIDUCIARY FUND TYPE Expendable Trust	TOTALS (MEMORANDUM ONLY) 1987	1986
$	$ 61,748,069	$ 61,748,069	$
		12,639,454	6,348,231
		5,474,110	4,934,188
		10,661,543	5,081,939
		63,703,998	60,599,141
		277,537,092	254,727,027
		8,782,732	5,376,358
	11,149,761	11,149,761	9,250,247
		6,546,266	5,873,184
	8,013,470	8,013,470	991,935
		7,987,876	3,341,844
		3,572,319	3,258,672
		31,937,599	34,654,737
	1,815,870	14,257,128	13,847,329
	2,966,632	532,300,846	460,963,977
	783,548	12,846,129	10,721,792
$	$ 86,477,353	$1,069,158,398	$879,970,607
$ 2,173,893	$	$ 40,280,278	$ 37,278,082
183,959		54,940,254	50,497,349
1,302,794		300,118,497	287,648,125
		15,745,053	14,434,513
4,995,724		219,465,764	197,387,721
5,710,065		28,521,001	26,270,088
76,909		14,672,434	15,522,124
2,958,064		148,176,864	133,757,636
		54,940,489	50,693,371
		45,497,770	41,708,755
	35,271,172	35,271,172	6,900,925
	10,564,715	10,564,715	9,661,808
728,531	1,476,512	21,953,525	11,464,742
$ 18,129,942	$ 47,312,399	$ 990,147,821	$883,225,246
$(18,129,942)	$ 39,164,953	$ 79,010,577	$ (3,254,638)
$ 24,095,930	$	$ 24,095,930	$ 24,610,000
	9,577,386	37,891,448	21,376,357
(1,460,227)	(5,174,223)	(36,487,723)	(21,595,410)
		(2,067,675)	10,269,431
			44,410,700
			(48,038,112)
	2,542,883	2,542,883	6,187,367
		4,372,821	2,765,571
$ 22,635,702	$ 6,946,047	$ 30,347,685	$ 39,925,905
$ 4,505,759	$ 46,111,000	$ 109,358,262	$ 36,671,266
31,327,005	83,937,219	158,773,925	53,755,282
$ 35,832,765	$130,048,220	$ 268,132,187	$ 90,426,549

STATE OF VERMONT

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES–ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1987

	PROPRIETARY FUND TYPES	
	Enterprise	Internal Service
OPERATING REVENUES:		
Sales and Service Charges	$ 30,909,187	$ 16,627,639
Investment Income		
Employer Contributions		
Employee Contributions		
Gain (Loss) on Investment Transactions		
Other Income		
Total Operating Revenues	$ 30,909,187	$ 16,627,639
OPERATING REVENUE DEDUCTIONS:		
Cost of Sales and Services	$ 24,798,074	$ 5,565,938
Operating Expenses:		
Salaries and Wages	282,550	2,918,232
Employee Benefits	53,548	497,528
Supplies and Parts	17,426	320,512
Data Processing Charges		33,514
Transportation	32,504	26,420
Warehouse Expense	289,365	
Depreciation	11,235	2,551,782
Rentals	2,858	406,918
Utilities	1,040	31,742
Stores and Agencies	3,308,074	
Promotions and Advertising	186,141	
Administrative Expenses	811,460	814,736
Distribution and Postage	117,937	1,697
Travel	8,097	
Loss (Gain) on Disposal of Equipment	(2,588)	(174,236)
Equipment Purchased for Agencies		335,291
Repairs and Maintenance		1,216,327
Interest Expense		531,942
Benefit Payments		
Refunds		
Loss on Bad Debts	2,647	
Other Operating Expenses	25,724	270,647
Total Operating Revenue Deductions	$ 29,946,100	$ 15,348,996
Operating Income	$ 963,087	$ 1,278,643
NON-OPERATING REVENUES (EXPENSES):		
License Fees	$	$
Sale of Mailing Lists	22,860	
Building and Office Equipment Rentals		63,279
Interest Income		38,555
Other Non-Operating Income	122,397	9,420
Inspection and Enforcement	(672,975)	
Legislative Appropriations	(327,645)	
Total Non-Operating Revenues (Expenses)	$ (855,362)	$ 111,255
Income Before Operating Transfers	$ 107,725	$ 1,389,898
Operating Transfers In (Out)		7,013
Net Income	$ 107,725	$ 1,396,911
Retained Earnings/Fund Balances, July 1, as restated	1,997,249	1,782,720
Retained Earnings/Fund Balances, June 30	$ 2,104,974	$ 3,179,632

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY)	
Non-Expendable Trust	Pension Trust	1987	1986
$	$	$ 47,536,826	$ 48,050,127
123,098	33,073,160	33,196,258	35,948,558
	34,124,243	34,124,243	31,587,049
	2,288,113	2,288,113	2,272,666
4,268	15,283,624	15,287,893	15,168,155
	101	101	
$ 127,366	$ 84,769,244	$132,433,437	$133,026,557
$	$	$ 30,364,013	$ 30,611,726
		3,200,782	3,073,438
		551,077	530,005
		337,938	382,219
		33,514	78,745
		58,925	55,723
		289,365	273,744
		2,563,018	2,345,460
		409,776	485,336
		32,782	112,549
		3,308,074	3,233,372
		186,141	192,856
	3,398,473	5,024,670	4,233,247
		119,635	102,330
		8,097	3,677
		(176,825)	(44,467)
		335,291	1,361,756
		1,216,327	1,493,113
		531,942	687,019
	23,695,463	23,695,463	22,193,656
	482,475	482,475	710,506
		2,647	77,257
1,160		297,532	328,334
$ 1,160	$ 27,576,412	$ 72,872,669	$ 72,521,610
$ 126,206	$ 57,192,831	$ 59,560,768	$ 60,504,947
$	$	$	$ 22,800
		22,860	18,488
		63,279	31,458
		38,555	66,796
		131,818	120,122
		(672,975)	(618,556)
		(327,645)	(327,645)
$	$	$ (744,106)	$ (686,536)
$ 126,206	$ 57,192,831	$ 58,816,661	$ 59,818,410
1,952,705		1,959,718	(47,292)
$ 2,078,911	$ 57,192,831	$ 60,776,380	$ 59,771,118
545,268	407,831,301	412,156,540	352,385,421
$ 2,624,180	$465,024,133	$472,932,920	$412,156,540

STATE OF VERMONT
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION–
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

	PROPRIETARY FUND TYPES	
	Enterprise	Internal Service
Sources of Working Capital:		
Operations:		
Net Income	$ 107,725	$ 1,396,911
Items Not Requiring (Providing) Working Capital:		
Depreciation	170,443	2,597,480
Appreciation		(13,200)
Working Capital Provided by Operations	$ 278,168	$ 3,981,192
Contributions	400	919,185
Disposal of Equipment	6,126	141,217
Decrease in Restricted Assets		225,828
Total Sources of Working Capital	$ 284,694	$ 5,267,422
Uses of Working Capital:		
Increase in Restricted Assets	$	$ 95,787
Acquisition of Equipment and Buildings	69,363	2,320,270
Reduction of Long-Term Liabilities		1,940,485
Investment in Agri-Mark Cooperative		5,174
Total Uses of Working Capital	$ 69,363	$ 4,361,718
Net Increase in Working Capital	$ 215,331	$ 905,704
Elements of Net Increase (Decrease) in Working Capital:		
Cash	$ 323,198	$ 1,064,566
Investments		
Receivables (Net of Allowances)	1,077	(89,408)
Inventories	(230,381)	(76,207)
Prepaid Expenses	25,899	(41,635)
Payables	125,719	186,337
Accrued Payroll and Benefits	(32,781)	(29,273)
Due to Agents	3,017	
Revenues Collected in Advance	(417)	
Installments Payable-Current Portion		(108,674)
Net Increase in Working Capital	$ 215,331	$ 905,704

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY)	
Non-Expendable Trust	Pension Trust	1987	1986
$ 2,078,911	$ 57,192,831	$ 60,776,380	$ 59,771,118
		2,767,923	2,545,978
		(13,200)	(14,625)
$ 2,078,911	$ 57,192,831	$ 63,531,103	$ 62,302,471
		919,585	580,050
		147,343	250,898
		225,828	1,564,761
$ 2,078,911	$ 57,192,831	$ 64,823,860	$ 64,698,182
$	$	$ 95,787	$
		2,389,634	4,502,047
		1,940,485	1,925,217
		5,174	
$	$	$ 4,431,081	$ 6,427,264
$ 2,078,911	$ 57,192,831	$ 60,392,779	$ 58,270,917
$ 1,402,442	$ (2,774,507)	$ 15,700	$ 2,095,102
(3,176)	50,245,766	50,242,590	56,805,625
812,637	(5,685,111)	(4,960,805)	9,515,773
		(306,588)	(203,703)
		(15,735)	58,048
(132,991)	15,406,684	15,585,749	(9,775,708)
		(62,055)	(4,659)
		3,017	(7,065)
		(417)	7,905
		(108,674)	(220,402)
$ 2,078,911	$ 57,192,831	$ 60,392,779	$ 58,270,917

Note 1 **Significant Accounting Policies**

A. **Financial Reporting Entity:**

The accompanying financial statements include the financial activities of those funds of the State of Vermont which are under the accounting control of the Commissioner of Finance and Management and the State Treasurer and also include the Unemployment Compensation Trust Fund and Contingent Fund which are maintained independently by the Department of Employment and Training.

Financial activities of the Vermont State College system and various State created boards and authorities which are generally financed and managed independently and which engage in significant governmental types of operations are not included in the accompanying financial statements. They are, however, currently being reviewed for their dependence on or control by the State based on budget adoption, taxing authority, outstanding debt secured by revenue or general obligations of the State and the State's obligation to fund any deficits that may occur. Any of these entities subsequently found to be controlled by or dependent on the State will be included in future financial reports of the State. However, the State's known contingent liabilities for guarantees on obligations of independent boards and authorities are detailed in note 12.

B. **Fund Structure:**

The accompanying financial statements are structured into three fund categories and one account group. The general characteristics of the fund categories and account group are:

Governmental Fund Types:

1. **General Fund** – By Act of the General Assembly, the General Fund is established as the basic operating fund of the State. The General Fund is required to be used to finance all expenditures for which no special revenues have otherwise been provided by law. All revenues received by the State and not otherwise required by law to be deposited in any other designated fund or used for any other designated purpose are deposited in the General Fund. Unexpended and/or unencumbered appropriation balances will, unless otherwise directed by law, revert to fund balance at the end of the fiscal year.

2. **Special Revenue Funds** – The Special Revenue Funds are used to account for specific revenues earmarked to finance particular or restricted programs and activities and include the following:

   – **Transportation Fund** – Revenues of this fund are used for state police, debt service requirements on Transportation Fund bonds, and the construction and maintenance of the highways of the State. There is placed in this fund for distribution to local governments that portion of the gas tax pertaining to State and town highways. Statutory provisions require that motor vehicle fees and motor fuel taxes must be expended exclusively for highway purposes and related activities. The principal sources of revenue in this fund are motor fuel taxes, licenses and permits for motor vehicles and reimbursements from the federal government for highway programs.

   – **Fish and Wildlife Fund** – Receipts are restricted by statute and can only be used for fish and wildlife purposes. The principal sources of revenue are license fees and federal grants.

   – **Federal Revenue Fund** – All federal grant receipts are recorded in the Federal Revenue Fund except for those federal funds specifically designated for highway or fish and wildlife purposes. Grants of the latter types are recorded in the State's Transportation Fund and Fish and Wildlife Fund, respectively.

   – **Special Fund** – This fund accounts for proceeds of specific revenues not categorized above that are legally restricted to expenditures for specified purposes.

3. **Capital Projects Funds** – These funds account for capital improvement appropriations which are or will be primarily funded by the issue of State bonds.

Proprietary Fund Types:

1. **Enterprise Funds** – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the State's intent is that the costs (expenses, including depreciation) of providing goods or services to the public be financed or recovered primarily through user charges; or (b) where the State has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

2. **Internal Service Funds** – Internal Service Funds are used to account for the financing of goods or services provided by one State department or agency to other State departments or agencies, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Fund Types:

The fiduciary funds are comprised of Trust and Agency Funds which are used to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. These funds include the following:

1. **Pension Trust Funds** – Used to account for the activities of the state-administered retirement systems.

2. **Nonexpendable Trust Funds** – Used to account for the activities of trusts whose income is used to fund the trust purpose but whose principal is to be maintained intact.

3. **Expendable Trust Funds** – Used to account for the activities of trusts whose principal and income may be used for purposes of the trust.

4. **Agency Funds** – Used to account for amounts held in trust for others. Agency Funds include such accounts as federal and State withholding taxes and other payroll deductions of State employees and for the State's matching contributions, deposits and remittances of municipal employees' and employers' social security payments and the deferred compensation and other income plans.

Account Group:

General Long-Term Debt – long-term liabilities to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. This account group is not a "Fund". It is concerned only with the measurement of financial position and is not involved with the measurement of results of operations. The State of Vermont's General Long-Term Debt Account Group includes only those long-term liabilities for the retirement of general obligations bonds and notes.

Contrary to generally accepted accounting principles and reporting practices, no accounting records are maintained and no statements are presented for the general fixed assets for governmental fund type operations of the State of Vermont. General fixed assets, if reported, would be presented in a separate self-balancing account group.

C. **Basis of Accounting:**

1. **Governmental Funds:**

All governmental funds are accounted for and reported using the cash basis of accounting. Cash basis accounting recognizes transactions only when cash changes hands. No recognition is given to assets and liabilities or revenues and expenditures until cash has actually been received or disbursed. An exception to this policy is made in transportation fund reporting which recognizes an asset account "unreimbursed charges to federal aid accounts" which is representative of receivables due from the federal government. This presentation is consistent with the unique accounting for transportation fund expenditures which are eligible for federal reimbursement. Federal shares reimbursable are charged directly to federal aid appropriation accounts within the transportation fund at the time that expenditures are made. State appropriation accounts are charged only with the State's share of individual expenditures.

The following unreported and unaudited receivables and payables for certain governmental funds are estimated to exist at June 30, 1987 and June 30, 1986:

RECEIVABLES (UNAUDITED)

	June 30, 1987	June 30, 1986
General Fund	$31,738,090	$26,940,945
Transportation Fund	2,559,092	3,531,245
Fish and Wildlife Fund	-0-	44,663
Capital Projects Funds:		
General	-0-	116,195
Transportation	-0-	-0-
Total Estimated Receivables	$34,297,182	$30,633,048

PAYABLES (UNAUDITED)

General Fund	$19,290,159	$15,202,794
Transportation Fund	3,469,687	6,687,700
Fish and Wildlife Fund	151,550	245,314
Capital Projects Funds:		
General	969,050	1,112,245
Transportation	110,398	302,379
Total Estimated Payables	$23,990,844	$23,550,432

No estimates of possible unreported receivables and payables have been made for the Special Fund or the Federal Revenue Fund. These funds are made up of accounts whose balances are allowed to be retained or carried forward at the end of each fiscal year and whose disbursements are restricted to the purposes for which the accounts were created.

2. **Expendable Trust Funds and Agency Funds:**

The accounts of these funds are generally presented on a modified accrual basis. Revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized at the time fund liabilities are incurred.

3. **Proprietary Funds, Pension Funds and Nonexpendable Trust Funds:**

The accounts of these funds are presented on the accrual basis. Their revenues are recognized when earned and their expenses are recognized when the liability is incurred.

D. **Budgetary Process:**

The head of every State department, board or commission, and any officer or individual having in charge any activity for which funds are appropriated by the General Assembly, on or before September 1 preceding each biennium, is required to file with the Commissioner of Finance and Management statements showing in detail the amounts appropriated and expended for both the current and preceding fiscal year and the amount estimated for such activity to be necessary for the ensuing two fiscal years. The Commissioner of Finance and Management and the Secretary of Administration are then required to submit to the Governor by November 15 preceding each biennium, the estimates as received together with any other estimates, for the two ensuing fiscal years. The Governor submits to the General Assembly, not later than the third Tuesday of every regular session, a budget which shall embody estimates, requests and recommendations for appropriations or other authorizations for expenditures from the State Treasury for at least the succeeding fiscal year. The General Assembly then enacts into law an appropriations act which must be approved by the Governor before expenditures can be made. In recent years it has been the practice of the General Assembly to enact appropriations on an annual basis.

Budgets are prepared and appropriated on the cash basis and usually at the program level. The Governor may amend appropriations within limits established by statute. Budgetary control is maintained by the Agency of Administration by major object (i.e. personal services, operating expense, etc.) at the appropriation level. General, Transportation and Fish and Wildlife Fund appropriation balances revert to Fund Balance at the end of each fiscal year unless authorized to be carried forward to the following year by legislative act. Unexpended balances of capital projects, federal revenue and other special funds are available for expenditure in the following fiscal year.

The State also utilizes, to a limited degree, encumbrance accounting for governmental funds under which certain purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable unexpended appropriation. Encumbrances outstanding at year end are reported as reservations of fund balance since they do not constitute expenditures or liabilities. Reported encumbrances do not include such material commitments as highway construction contracts.

The State has not presented a Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General and Special Revenue Fund Types, as required by generally accepted accounting principles, for the following reasons:

1. Appropriations for the current expenditures constitute spending authorizations for the current year. Unexpended appropriations which do not revert are carried forward to the succeeding year for use in that fiscal year. It is not practicable at this time to determine those actual expenditures that apply to current year appropriations and those expenditures that apply to the unexpended balance of prior year non-reverting appropriations.

2. Various grants accepted by the State are not included in the original budget. When accepted, they are budgeted by agency and not by revenue source and for that reason it is not practicable at this time to determine the restricted revenue sources.

E. **Cash and Temporary Investments:**

In addition to bank accounts and imprest cash, this classification includes short-term investments such as certificates of deposit, V.I.D.A. mortgage notes and repurchase agreements. The State pools substantially all cash and investments of governmental, proprietary and agency funds, except for separate cash and investment accounts which are maintained in accordance with legal restrictions. Separate cash and investment accounts are generally maintained for pension, nonexpendable and expendable trust funds.

F. **Inventories:**

Inventories of materials and supplies of governmental funds are recorded as expenditures when purchased.

Inventories of the proprietary fund types are generally valued at the lower of average cost or market.

G. **Fixed Assets and Depreciation:**

No accounting records are maintained and no statements are presented for governmental general fixed assets.

Fixed assets in the proprietary funds are carried at cost and depreciation is recorded in the accounts of these funds over varying asset lives on the straight-line basis. When fixed assets are disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period. Except for the highway garage fund, significant renewals and betterments are capitalized and deduction is made for retirements resulting from the renewals or betterments. The highway garage fund generally follows a practice of charging all equipment repair, modification or improvement costs to expense accounts in the year in which the costs are incurred.

H. **Installments Payable on Equipment Purchases:**

Fixed Assets of the Internal Service Funds include equipment items purchased under various installment payment contracts and long-term leases treated as capital leases. Principal payments due within one year are shown as current liabilities and the balances due subsequently are shown as long-term liabilities. Principal and interest balances are scheduled for payment in varying monthly and quarterly installments which terminate on various dates to April, 1990.

I. **Reserve for Amortization of Debt Service:**

Title 10, VSA, Section 235(a) authorizes the State Treasurer to issue bonds aggregating not more than $5,000,000 without further authorization for the purpose of purchasing notes of the Vermont Industrial Development Authority which are supported by loans to local development corporations. Under this authority, the State Treasurer issued bonds in the amount of $1,470,000 during fiscal year 1982 to purchase notes of the Authority.

Because these notes are recorded as temporary investments and thus included in the General Fund's portion of the State Treasurer's pooled cash balance, this transaction had the effect of increasing cash assets of the General Fund from the proceeds of general obligation bonds. Debt service obligations for these bonds are funded from general fund appropriations and the reserve account is reduced each year by the amount of principal payments made over the term of the bonds, through fiscal year 2001. Principal payments totaling $432,180 have been made through fiscal year 1987, thus reducing the reserve account balance to $1,037,820 at June 30, 1987.

J. **Unreserved Fund Balance–General Fund:**

The entire General Fund unreserved fund balance of $61,812,620 at June 30, 1987 was designated for the following purposes:

1987 Public Act No.	Amount	Purpose
77, Section 4	$ 2,000,000	Vermont Agriculture Finance Program
84, Section 15(B)	37,000,000	State Aid to Education
88, Section 2	3,000,000	Vermont Housing & Conservation Trust Fund
89, Section 314(E)	2,330,000	Debt Service and Miscellaneous
114, Section 3	8,233,136	Reduction of Unissued Authorized General Fund Bonds
114, Section 3	8,233,136	Budget Stabilization Trust Fund
Miscellaneous	1,016,348	Continuing Appropriations
TOTAL	$61,812,620	

K. **Unreserved–Undesignated Fund Balance–Capital Projects Funds:**

Public Act No. 74 of 1985, Section 294, as further amended by No. 102 of 1986, Section 18, appropriated $1,915,550 for the Equipment Special Fund. This Act also authorized the issuance of securities in the form of notes or other instruments in the amount of $2,000,000. This resulted in an excess of bonding authorization over appropriations of $84,450 in the General Bond Fund. The entire authorization was sold.

L. **Compensated Employee Absences:**

Compensated absences include accumulated unpaid vacation, compensatory time and personal leave credits. Those compensated absences related to governmental funds are not accrued but are recorded as expenditures when paid. The State does not report liabilities for these governmental fund compensated absences in the General Long-Term Debt Account Group.

Classified State employees may accrue vacation leave based on the number of years employed up to a maximum rate of 24 days a year, but may accumulate no more than a maximum of 45 days. At June 30, 1987, the State has a liability for employees' earned vacation credits totaling approximately $9,817,400 in the governmental funds which will be liquidated in future periods either as salary payments as vacation leave is taken or by cash payment upon termination of employment.

The State also has an unreported liability of approximately $934,000 at June 30, 1987 for compensatory time and personal leave which is accumulated as earned by employees.

Employees have also earned sick leave credits which may only be liquidated if and when sickness or injury is incurred and which, therefore, does not represent a liability of the State. Employees accrue sick leave at a maximum rate of 21 days a year. There is no limit on the total accumulation of earned sick leave days. The accumulated amount of unused sick leave at June 30, 1987 is approximately $43,375,900 for all governmental funds.

The above amounts are calculated based on State employees' pay rates at June 30, 1987.

Beginning in fiscal year 1986, compensated employee absences related to proprietary funds are accrued and reported as liabilities of those funds.

M. **Interfund Transactions:**

Operating Transfers: Except as described below, transactions between funds are classified as operating transfers. These include most of the routine transfers of resources between funds, such as when revenues received in one fund are used to finance expenditures appropriated in another fund.

Quasi-External Transactions: Interfund transactions of this type are treated as if they were occurring with an outside entity. Internal service funds primarily receive funding through these transactions.

N. **Total Columns on Combined Statements:**

Total columns on the accompanying combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or operating results nor do they reflect data comparable to a consolidation. Interfund transactions have not been eliminated.

Note 2 **Deficit Fund Balances/Retained Earnings:**

The following individual funds have deficit Fund Balances/Retained Earnings at June 30, 1987:

Federal Revenue Fund–Deficit fund balance of $7,100,306 exists due to expenditures being made in anticipation of receipts from the federal government during fiscal year 1988.

Enterprise Funds:

Surplus Property Fund–Deficit retained earnings of $70,543 at June 30, 1987 is an accumulation of deficits during fiscal years 1976 through 1986. Through reorganization and the combining of both State and Federal surplus property programs and an increased marketing effort, the Fund realized a profit in fiscal year 1987 of $24,088. It is expected that annual profits will continue and gradually eliminate the deficit.

Industrial Homework Office Fund and Vermont Life Magazine Fund–Although these two funds have deficit retained earnings of $73,254 and $287,421, respectively, at June 30, 1987, neither fund has a negative fund equity position at that date.

Internal Service Funds:

Information Systems Development Fund–This fund has a deficit fund equity position of $1,060,586 at June 30, 1987, resulting from a combination of discontinuation of General Fund contributions and development costs related to the Vermont Information Center. It is planned that this deficit will be retired over the next four years through a combination of growth, resulting in increased net income, and contributions from the General and/or Transportation Funds.

Note 3 **Investments:**

The following table presents, cost, market value, and carrying amount for investments at June 30, 1987:

Fund Type	Common and Preferred Stocks	U.S. Government Obligations	Corporate Bonds and Notes	Other Investments	Total Investments
Pension Trust Funds:					
Vt. State Retirement Fund:					
Cost (Carrying Amount)	$ 72,890,662	$ 33,406,229	$ 55,373,678	$ 40,324,395	$201,994,964
Market Value	116,567,325	32,889,641	55,311,201	40,324,395	245,092,562
State Teachers' Retirement Fund:					
Cost (Carrying Amount)	135,769,650	3,747,726	47,268,789	51,115,212	237,901,377
Market Value	170,207,226	3,626,004	48,309,521	51,115,212	273,257,963

Municipal Employees' Retirement Fund:					
Cost (Carrying Amount)	11,039,329	1,909,143	1,586,683	4,574,388	19,109,543
Market Value	13,835,287	1,837,498	1,545,425	4,574,389	21,792,599
Total Pension Trust Funds:					
Cost (Carrying Amount)	219,699,641	39,063,097	104,229,151	96,013,996	459,005,885
Market Value	300,609,838	38,353,143	105,166,147	96,013,996	540,143,124
Expendable Trust Funds:					
Cost (Carrying Amount)	1,725	348,653	69,264		419,642
Market Value	1,822	352,960	71,216		425,998
Non-Expendable Trust Funds:					
Cost (Carrying Amount)			355,996		355,996
Market Value			352,591		352,591
Agency Fund:					
Cost				80,762,847	80,762,847
Market Value (Carrying Amount)				86,596,531	86,596,531
TOTAL INVESTMENTS:					
Cost	$219,701,366	$ 39,411,751	$104,654,411	$176,776,843	$540,544,371
Market Value	$300,611,660	$ 38,706,103	$105,589,954	$182,610,527	$627,518,244
Carrying Amount	$219,701,366	$ 39,411,751	$104,654,411	$182,610,527	$546,378,055

The "Other Investments" total of $182,610,527 in "Carrying Amount" consists of $7,696,931 in mortgage loans, $32,692,671 in real estate investment trusts, short term investments of $25,549,000, investment contracts of $96,151,701 and annuities of $20,520,224.

Note 4 **Summary of Proprietary Fund Fixed Assets:**

A summary of Proprietary Funds' property, plant and equipment at June 30, 1987 is shown below:

	Enterprise	Internal Service
Land	$	$ 26,156
Buildings & Leasehold Improvements	118,965	508,803
Accumulated Depreciation	(63,333)	(334,129)
Machinery and Equipment	1,620,186	24,068,966
Accumulated Depreciation	(1,069,397)	(9,880,480)
Totals	$ 606,421	$14,389,316

Note 5 **Pension Plans:**

The State maintains three statutory pension plans: the Vermont State Retirement System which covers substantially all general State employees and State Police, the State Teachers' Retirement System of Vermont which covers substantially all State teachers and the Vermont Municipal Employees' Retirement System which covers full-time employees of participating municipal employers. The State's contributions to each system are based on percentage rates of the annual earnable compensation of each member. These rates include a "normal contribution" rate and an "accrued liability contribution" rate and are fixed on the basis of the liabilities of the systems as shown by actuarial valuations. Total pension costs for the fiscal year 1987, funded by State appropriations, were $16,766,056 for the Vermont State Retirement System and $16,200,000 for the State Teachers' Retirement System.

Under legislation effective July 1, 1981, Vermont state employees and state teachers could elect to transfer their current memberships from a contributory to a non-contributory membership class. This legislation provided that the unfunded accrued liability as of June 30, 1982 in both the Vermont State Retirement System and State Teachers' Retirement System is to be amortized over a period of 30 years beginning July 1, 1982. The unfunded accrued liability of the Vermont Municipal Employees' Retirement System is being amortized over a 30 year period which commenced on July 1, 1975.

Based on the latest actuarial determinations, which are as of June 30, 1986, the three retirement systems show the following benefit information:

	Vermont State Retirement System	State Teachers Retirement System	Municipal Employees Retirement System
Present Value of Vested Benefits:			
Retired members & beneficiaries receiving payments	$112,854,200	$125,246,600	$ 3,049,500
For other members	78,467,000	114,591,000	5,786,700
Total Vested Benefits	$191,321,200	$239,837,600	$ 8,836,200
Present Value of nonvested benefits	not available	$ 3,884,500	$ 246,200
Net assets available for payment of benefits	$186,469,500	$233,787,500	$ 18,472,900
Assumed rate of return for calculating plan benefits	8.0%	8.5%	7.5%

Note 6 **Deferred Compensation:**

The State offers its employees a deferred compensation plan created in accordance with section 457 of the internal revenue code. The plan, available to all state employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or an unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are solely the property and rights of the State, subject only to the claims of the State's general creditors. Participants' rights under the plan are equivalent to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant.

In the past, the plan assets have been used for no purpose other than to pay benefits. In addition, the State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The plans assets and liabilities are stated at market value and are reported in an Agency Fund.

Note 7 **Lease Commitments:**

The State is committed under various operating leases covering real property (land and buildings) and equipment. Although lease terms vary, certain leases continue subject to appropriation by the General Assembly. If continuation is reasonably assured, leases requiring appropriation by the General Assembly are considered noncancellable leases for financial reporting purposes.

The following is a summary of the estimated future minimum rental commitments under operating leases for real property:

	Amounts		
Fiscal Year	Non-Cancellable Leases	Cancellable Leases	Totals
1988	$ 1,935,073	$114,421	$ 2,049,494
1989	1,659,977	-0-	1,659,977
1990	1,360,647	-0-	1,360,647
1991	1,199,358	-0-	1,199,358
1992	1,083,400	-0-	1,083,400
Thereafter	3,356,213	-0-	3,356,213
Totals	$10,594,668	$114,421	$10,709,089

The following is a summary of the estimated future minimum rental commitments under operating leases for equipment:

	Amounts		
Fiscal Year	Non-Cancellable Leases	Cancellable Leases	Totals
1988	$ 71,565	$ 17,221	$ 88,786
1989	14,805	-0-	14,805
1990	2,567	-0-	2,567
1991	1,966	-0-	1,966
1992	983	-0-	983
Thereafter	-0-	-0-	-0-
Totals	$ 91,886	$ 17,221	$ 109,107

Note 8 **General Obligation Bonds and Notes Payable:**

General obligation bonds and notes have been authorized and issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correctional facilities, environmental conservation purposes, maintenance and construction of highways and assistance to municipalities for construction of water and sewage systems and local schools. Also, bonds have been authorized and issued to refund outstanding general obligation bonds.

General obligation bonds are authorized by the legislature in accordance with the current statutory limitation that restricts authorization during any fiscal year to ninety percent of all bonds to be redeemed by the State during the same fiscal year. Once authorized, the State Treasurer with the approval of the Governor may issue general obligation bonds. The bonds are to be payable in substantially equal or diminishing amounts, the first such payment to be payable not later than five years after date of the bonds and the last such payment to be made not later than twenty years after date of the bonds.

General obligation bonds and notes outstanding and bonds authorized but unissued at June 30, 1987, are as follows:

Source of Payment	Outstanding		Authorized But Unissued
	Interest Rates	Amount	
General Fund	3.9–10.6%	$201,577,970	$11,623,500
Transportation Fund	3.9–9.75%	51,057,030	3,320
Totals		$252,635,000	$11,626,820

Changes in bond and note principal payable during fiscal year 1987 are summarized in the following:

	Balance July 1, 1986	Issuances	Redemptions	Balance June 30, 1987
General Obligation Bonds	$252,755,000	$22,995,000	$25,815,000	$249,935,000
Equipment Notes	2,000,000	1,100,000	400,000	2,700,000
Totals	$254,755,000	$24,095,000	$26,215,000	$252,635,000

General obligation bonds and notes outstanding at June 30, 1987 are comprised of the following issues:

Date Issued	Date Series Matures	Interest Rates	Amount of Original Issue	Bonds Outstanding — Sources of Payments: General Fund	Bonds Outstanding — Sources of Payments: Transportation Fund	Total
General Obligation Bonds:						
02/01/68	08/01/87	3.9 %	$ 20,000,000	$ 630,000	$ 420,000	$ 1,050,000
05/01/68	11/01/87	4.0	25,000,000	630,000	680,000	1,310,000
02/01/69	08/01/88	4.6	30,000,000	1,470,000	1,680,000	3,150,000
12/01/69	07/01/89	5.7	25,000,000	1,575,000	2,175,000	3,750,000
04/15/70	10/15/89	5.25	26,000,000	3,900,000		3,900,000
03/01/71	09/01/90	4.0	25,000,000	3,300,000	1,850,000	5,150,000
01/01/72	07/01/91	4.4	40,000,000	6,875,000	3,250,000	10,125,000
10/01/72	10/01/92	4.7	4,000,000	1,200,000		1,200,000
03/15/73	09/15/92	4.875	30,000,000	3,900,000	5,250,000	9,150,000
11/01/73	04/01/93	4.5	15,000,000	300,000	4,410,000	4,710,000
04/01/75	10/01/94	5.625	24,000,000	5,400,000	4,400,000	9,800,000
06/01/76	12/01/95	5.375	14,000,000	3,750,000	2,750,000	6,500,000
05/01/77	11/01/96	4.8	8,000,000	4,175,000		4,175,000
08/01/78	02/01/98	5.5	34,450,000	15,400,000	4,400,000	19,800,000
07/01/80	02/01/00	6.8	51,210,000	27,437,970	7,562,030	35,000,000
12/01/81	06/01/92	10.5 & 10.6	20,080,000	5,180,000		5,180,000
06/01/83	06/01/88	7.2	5,285,000	5,285,000		5,285,000
06/01/83	01/01/97	8.6	48,200,000	22,150,000	3,250,000	25,400,000
06/01/84	06/01/94	9.75	22,935,000	5,340,000	1,560,000	6,900,000
08/01/85	09/01/04	8.0	22,610,000	20,400,000	1,010,000	21,410,000
05/15/86	05/15/04	5.1 to 7.0	45,410,000	37,585,000	6,410,000	43,995,000
08/15/86	08/15/06	6.5 to 6.9	22,995,000	22,995,000		22,995,000
Equipment Notes:						
08/12/86	08/11/87	5.22	2,700,000	2,700,000		2,700,000
Totals				$201,577,970	$51,057,030	$252,635,000

The equipment notes were issued on August 12, 1986 to renew $1,600,000 of equipment notes for items authorized pursuant to Public Act No. 74 of 1985 and an additional $1,100,000 to finance the purchase of certain equipment items authorized in Public Act No. 242 of 1986, Section 301a. At maturity on August 11, 1987, the entire balance of $2,700,000 was retired.

Future general obligation debt service requirements at June 30, 1987 are as follows:

Year Ending June 30	Principal	Interest	Total
1988	$ 35,240,000	$ 16,265,997	$ 51,505,997
1989	24,615,000	14,225,286	38,840,286
1990	22,610,000	12,742,293	35,352,293
1991	20,340,000	11,369,098	31,709,098
1992	19,000,000	10,081,277	29,081,277
Thereafter	130,830,000	49,193,712	180,023,712
Totals	$252,635,000	$113,877,663	$366,512,663

Note 9 **Prior Year Defeasance of Debt:**

In the prior fiscal year the State of Vermont defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. At June 30, 1987, $36,585,000 of bonds outstanding are considered defeased.

Note 10 **Fund Equity Restatement:**

For fiscal year 1987 the State effected certain changes in financial reporting in order to more closely conform with generally accepted accounting principles. Changes included (1) reporting various fiduciary funds previously reported independently by the State Treasurer and not included in prior years' general purpose financial statements, (2) adding to the reporting entity certain expendable trust funds previously accounted for and reported independently by the Department of Employment and Training, (3) reporting balances of the state's deferred compensation plan, previously disclosed by footnote only, in an Agency Fund and, (4) reporting balances of Single Deposit Investment Accounts held in the interests of pension plan members, previously disclosed by footnote only, in an Agency Fund.

These changes have been reported in the accompanying financial statements by restating beginning fund equity as shown below. Corresponding restatement of 1986 amounts (except for those associated with the Department of Employment and Training funds) have also been made to reflect the retroactive application of the changes. The lack of financial data on a comparable reporting basis precluded the restatement of the 1986 amounts for the expendable trust funds arising from addition of the Department of Employment and Training's unemployment compensation trust fund and contingent fund.

	Trust and Agency Funds				All Fund Types and Account Group Totals (Memorandum Only)
	Pension Trust	Nonexpendable Trust	Expendable Trust	Total	
Fund Equity as previously reported, June 30, 1986	$ -0-	$ -0-	$ -0-	$ -0-	$ 85,316,607
Additions to Reporting Entity:					
Funds previously reported by the State Treasurer	407,831,301	545,268	15,589,843	423,966,414	423,966,414
Funds previously reported only by the Department of Employment and Training:					
Unemployment Compensation Trust Fund			67,812,549	67,812,549	67,812,549
Contingent Fund			534,827	534,827	534,827
Fund Equity as restated, June 30, 1986	$407,831,301	$545,268	$83,937,219	$492,313,789	$577,630,397

Note 11 **Segment Information for Enterprise Funds:**

The State maintains four enterprise funds relating to sales of liquor, Vermont Life magazines and related products, industrial homework products and federal surplus property. Segment information for the year ended June 30, 1987 is as follows:

	Liquor Control Fund	Vermont Life Magazine Fund	Other Enterprise Funds	Total Enterprise Funds
Operating Revenues	$29,465,490	$ 1,310,716	$ 132,981	$30,909,187
Depreciation Expense	159,207	10,416	818	170,441
Operating Income or (Loss)	1,016,957	(82,802)	28,932	963,087
Operating Grants, Entitlements & Shared Revenues	-0-	-0-	-0-	-0-
Operating Transfers in (out)	-0-	-0-	-0-	-0-
Tax Revenues	-0-	-0-	-0-	-0-
Net Income	72,859	5,932	28,932	107,725
Plant, Property & Equipment:				
Additions	60,744	777	7,841	69,362
Deletions	6,126	-0-	-0-	6,126
Net Working Capital	1,969,541	280,521	(47,574)	2,202,488

Total Assets	4,286,429	755,129	(27,125)	5,014,433
Bonds and Other Long-Term Liabilities	-0-	-0-	-0-	-0-
Total Equity	2,536,193	312,712	(39,995)	2,808,909

Note 12 **Contingent and Limited Liabilities:**

Vermont Industrial Development Authority:

Under the provisions of 10 V.S.A. Sec. 221 the Authority may insure mortgage payments required to repay loans made for the purpose of financing industrial facilities provided that the principal obligations of all mortgages insured under this subsection outstanding at any one time shall not exceed $35,000,000. Section 223 of the above title authorizes the State Treasurer, without further approval, to issue full faith and credit bonds of the State in amounts not to exceed an aggregate of $35,000,000 at any one time outstanding, or to use available cash to fund the Industrial Building Mortgage Insurance Fund. As of June 30, 1987, the State had outstanding $1,958,414 of general obligation bonds under this authorization. Section 222 of the above title provides that amounts advanced to the Vermont Industrial Development Authority under the provisions of Section 223 be repaid from the Industrial Building Mortgage Insurance Fund. At June 30, 1987, the Vermont Industrial Development Authority had guaranteed mortgages with balances aggregating $6,862,514 and the Authority's Insurance Fund had a fund balance (deficit) of $(2,246,579).

Under the provisions of 10 V.S.A. Section 231, the Authority may also loan money to local development corporations for industrial park planning and development, for constructing or improving speculative buildings or small business incubator facilities, for the purchase or improvement of existing buildings suitable for industrial or small business incubator facility purposes and for the purchase of land in connection with any of the foregoing. Section 261 provides that the Authority may make direct mortgage loans for the purpose of financing the establishment or expansion of industrial projects. The provisions of 10 V.S.A. Section 235(a) state: "The authority may issue its notes to the state treasurer in an amount outstanding at any one time not exceeding $8,500,000 to enable the authority to make loans to local development corporations under this subchapter . . . The state treasurer shall purchase notes of the authority issued hereunder and may borrow money by the issue of bonds or notes and pledge the full faith and credit of the state, or use any available funds over which the state has exclusive control for this purpose. Bonds and notes authorized in the preceding sentence shall be issued pursuant to the provisions of Chapter 13 of Title 32 and shall not exceed an aggregate of $5,000,000 at any one time outstanding." At June 30, 1987, the State had outstanding $1,037,820 of general obligation bonds under this authorization and the balance of the authority's notes held by the State Treasurer totaled $7,241,003. Section 234 of the above title provides that principal and interest on these notes be paid from the Authority's Industrial Development Fund. At June 30, 1987, the fund balance of the Authority's Development Fund was $13,140,585.

Vermont Home Mortgage Guarantee Board:

Act No. 260 of the Acts of 1973 created the Vermont Home Mortgage Guarantee Board as a successor to the Vermont Home Mortgage Credit Agency to guarantee, within the limits provided, the repayment of certain loans secured by home mortgages. Under the provisions of 10 V.S.A. Section 389, "The full faith and credit of the state is pledged to support and redeem the certificates of guaranty issued by the board . . . The treasurer shall, without further approval, issue full faith and credit bonds of the state from time to time in amounts equal to advances made under this section. . . . " Section 390 of the above title limits the amounts of guarantees, as follows: "Prior to issuing any guaranty on any loan hereunder, the board shall first determine that the amount of such guaranty as of its proposed date of issuance, when combined with the aggregate outstanding guaranty liability on all existing guaranties, shall not exceed $55,000,000."

As of June 30, 1987, the Board reported outstanding guarantees of $40,201,484 and a Fund Balance of $3,443,165 from which to pay any guarantee losses incurred.

The State Treasurer has never found it necessary to issue bonds in support of these loan obligations nor is it contemplated that it will become necessary.

Whey Pollution Abatement Authority:

The Whey Pollution Abatement Authority was created by the General Assembly in 1971 to meet the need for abatement of continued pollution of the waters of the State resulting from discharge of fluid whey and wash waters by the cheese processors within the State.

The Authority constructed a whey pollution abatement facility and in 1976 entered into a lease agreement with the State under which the State agreed to make lease rental payments sufficient to meet the debt service requirements of the Authority's $9.6 million Series A Bonds issued in 1976. The facility was subleased by the State to certain cheese processors who were obligated for lease rental payments equal to the debt service requirements on the 1976 Series A Bonds. The cheese processors defaulted and the facility was closed in 1979. Under its lease, the State was obligated to and has made annual payments averaging approximately $569,780 for the fiscal years 1978 through 1987. Under a settlement with the State, the cheese processors agreed to a schedule of payments totaling $2.6 million over the remaining twenty-six years.

A new sublessee was located in 1980 and the facility was both modified and expanded to meet their requirements. The Authority issued its 1980 Series A Bonds and 1981 Series A Bonds to fund the modification and expansion of the facility. The State has purchased the Authority's $12.5 million 1980 Series A and $3.5 million 1981 Series A Bonds through the sale of $16 million State of Vermont general obligation bonds. The State will make lease rental payments to the Authority sufficient to meet the debt service requirements on the Authority's 1976 Series A Bonds as well as a certain portion of the 1980 Series A and 1981 Series A Bonds from lease rental payments made to the State by the present sublessee. The State expects that the overall effects of its purchase of the Authority's bonds, together with the payments to be made by the cheese processors under the settlement referred to above, will be to reduce the remaining nineteen years of the State's obligation with respect to the bonds of the Authority from the approximately $569,780 in average annual payments referred to above to an average annual payment of approximately $40,000, ranging from an estimated maximum obligation of $458,100 in fiscal year 1988 to a positive cash flow during the last thirteen years of the obligation.

Vermont Municipal Bond Bank:

The State has a limited liability for the Vermont Municipal Bond Bank. The Bank is required to maintain a debt service reserve fund. Title 24, V.S.A., Sec. 4675 requires the State to provide annual appropriations to restore the reserve fund to its required minimum balance, if necessary. It has never been necessary for the State to appropriate money to the reserve fund and it is not anticipated that it will need to make an appropriation in the future.

Vermont Housing Finance Agency:

The State has a limited liability for the Vermont Housing Finance Agency. The Agency may create one or more debt service reserve funds in accordance with 10 V.S.A. Sec. 632. Annually, the Agency must report to the State the amount necessary to bring reserve fund balances up to the minimum required by statute. This sum so certified may be appropriated by the State. It has not been necessary for the State to appropriate money to maintain the reserve fund and it is not anticipated that any appropriation will have to be made.

Federal Grants:

The State receives federal grants which are subject to review and audit by federal grantor agencies. This could result in expenditure disallowances under the terms of the grants. However, it is believed that required reimbursements resulting therefrom would not be material.

Note 13 **Litigation:**

The American Trucking Association, Inc. and others have filed lawsuits to contest and recover various fees collected by the State of Vermont Agency of Transportation. The lawsuits have contested approximately $7 million in annual fees. The fees are no longer charged and there is approximately $9 million in escrow to provide for payment of adverse judgements in these cases. It is believed that the amount of recovery, should the State lose, will not exceed the amount held in escrow. The State continues to litigate and resist all claims for refunds.

The State, its agencies, officials and employees are also defendants in numerous other lawsuits involving funding for social welfare programs, civil rights actions, public education funding, breach of contract and negligence. The Attorney General is unable to predict the ultimate outcome of the majority of these suits, some of which seek recovery of monetary damages of unspecified amount. However, based on advice of the Attorney General, it is believed that any ultimate liability to the State resulting from these suits, either individually or in the aggregate, would not have a material effect on the State's financial position.

Note 14 **Special Contingency Fund:**

The Special Contingency Fund which was established in fiscal year 1986 to compensate for probable losses of federal funds caused by the Gramm-Rudman Act, was abolished on June 30, 1987 pursuant to Public Act 263 of 1986. The Fund's balance was transferred to the General and Transportation Funds in proportion to the respective Funds' transfers to the Special Contingency Fund. The closing transfer consisted of $6,408,028 to the General Fund and $811,472 to the Transportation Fund.

Note 15 **Budget Stabilization Trust Fund:**

The 1987 Legislature established the Budget Stabilization Trust Fund to " . . . reduce the effects of annual variations in state revenues upon the budget of the state by retaining certain surpluses in general fund revenues . . .". The Budget Stabilization Trust Fund consists of any undesignated general fund surplus occurring at the close of a fiscal year. However, the Trust Fund balance shall not exceed two percent of the general fund appropriations for the most recently ended fiscal year. The Fund is to be used, to the extent necessary, to offset any general fund deficit that may occur at the close of a fiscal year.

Public Act 114 of 1987 further restricted the amount of the fiscal year 1987 surplus to be transferred to the Fund to the extent that fifty percent of the General Fund undesignated surplus, to a maximum of $10,000,000, be used to reduce General Fund bonds authorized but not yet issued.

In accordance with the foregoing provisions and limitations, the amount of June 30, 1987 General Fund undesignated surplus to be transferred to the Trust Fund totals $8,233,136.

Note 16 **Joint Venture:**

The State of Vermont has entered into a Tri-State Lotto Compact with the states of New Hampshire and Maine for the purpose of operating a tri-state lottery. This lottery does not replace Vermont's individual lottery games but is run in addition to the existing games. The Compact provided for the creation of a Tri-State Lottery Commission which is an interstate body, both corporate and politic, serving as a common agency of the party states and representing them both collectively and individually in the exercise of its powers and duties. The commission is composed of one member from each of the party states. Each state's lottery commission appoints one of its members to this position. The three-member commission annually elects a chairperson from among its members. The commission is empowered to operate and administer Tri-State Lotto and to promulgate rules and regulations governing the establishment and operation of the lotto.

Tri-State Lotto tickets are sold in each of the party states and processed in a central location as determined by the commission. Fifty percent of the gross sales from each state are aggregated in a common prize pool, and operating costs are charged proportionally to each of the party states. The remaining revenues generated within each state remain in that particular state.

At June 30, 1987, the commission had total assets of $41,221,148, total liabilities of $40,117,764 and a fund balance (reserved for future prize awards) of $1,103,384.

For the year ended June 30, 1987, the commission had operating revenues of $73,667,896, interest income of $244,823, commissions and fees expenses of $7,316,513, prize awards of $36,040,238, operating expenses of $2,317,487 and allocation of funds to member states of $27,820,768.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

STATE OF VERMONT
GENERAL FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1987 and 1986

	June 30, 1987	June 30, 1986
ASSETS		
Cash and Temporary Investments	$ 65,822,156	$ 8,077,602
Total Assets	$ 65,822,156	$ 8,077,602
FUND BALANCE		
Reserved for:		
Encumbrances	$ 2,971,716	$ 2,816,663
Amortization of Debt Service	1,037,820	1,124,256
Unreserved – Designated for:		
Continuing Appropriations	1,016,347	1,185,449
Subsequent Year Appropriations	44,330,000	
Stabilization Trust Fund	8,233,136	
Reduction of Unissued Authorized General Fund Bonds	8,233,136	
Unreserved – Undesignated		2,951,232
Total Fund Balance	$ 65,822,156	$ 8,077,602

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1987 and 1986

	Year Ended	
	June 30, 1987	June 30, 1986
REVENUES:		
Taxes:		
Bank Franchise	$ 1,187,100	$ 1,071,338
Beverage	5,061,098	4,926,326
Cigarette	11,409,481	11,610,132
Electrical Energy	1,915,397	1,805,381
Income – Corporate	37,230,661	29,460,462
Income – Personal	196,386,775	160,507,090
Inheritance	2,521,922	4,501,771
Insurance Companies	14,707,860	11,238,486
Liquor	9,760,544	9,880,443
Meals and Rooms	36,078,535	31,402,484
Pari-Mutuel	226,560	491,759
Real Property Transfer	9,675,951	7,011,430
Sales and Use	108,840,807	98,576,323
Telephone Companies	15,873,588	16,093,388
Other Taxes	1,067,824	1,113,949
Total Taxes	$451,944,113	$389,690,768

Business Licenses	2,365,630	3,134,044
Fees	3,138,443	2,764,221
Services	992,372	750,481
Fines and Forfeits	6,396,823	5,349,655
Interest and Premiums	6,212,579	5,521,307
Lottery Transfer	7,987,876	3,341,844
Special Assessments	2,718,992	3,036,651
Other Revenues	529,982	583,273
Total Revenues	$482,286,814	$414,172,247
EXPENDITURES:		
General Government	$ 23,353,234	$ 21,439,406
Protection to Persons and Property	29,819,607	28,001,856
Human Services	126,219,444	114,872,312
General Education	183,435,367	164,533,460
Environmental Conservation	9,503,128	9,079,808
Development and Community Affairs	5,615,211	4,747,654
Debt Service	34,114,817	29,881,931
Miscellaneous	8,300,000	3,225,000
Total Expenditures	$420,360,8[illegible]	$375,781,431
Excess of Revenues Over Expenditures	$ [illegible]	$ 38,390,815
Other Financing Sources (Uses):		
Transfers From Transportation Fund	$ [illegible],545	$ 1,147,331
Transfers From Other Special Revenue Funds	8,[illegible]19,217	162,705
Other Operating Transfers In	335,713	350,179
Transfers to Transportation Fund	(4,129,787)	(5,730,214)
Transfers to Other Special Revenue Funds	(10,439,029)	(7,502,431)
Other Operating Transfers Out	(524,955)	(542,668)
Proceeds of Refunding Bonds		37,851,239
Payment to Refunded Bond Escrow Agent		(41,046,402)
Other Sources	121,845	124,605
Total Other Financing Sources (Uses)	$ (4,181,449)	$(15,185,654)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	$ 57,744,554	$ 23,205,161
Fund Balance, July 1	8,077,602	(15,127,559)
Fund Balance, June 30	$ 65,822,156	$ 8,077,602

The accompanying notes are an integral part of the financial statements.

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SPECIAL REVENUE FUNDS

STATE OF VERMONT
COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS–ALL SPECIAL REVENUE FUNDS
JUNE 30, 1987

	Transportation	Fish and Wildlife	Special	Federal Revenue	Totals June 30, 1987	Totals June 30, 1986
ASSETS						
Cash	$ 14,492,801	$ 1,897,111	$ 7,806,453	$ (7,100,306)	$ 17,096,059	$ 14,031,436
Unreimbursed Charges to Federal Aid Accounts	19,332,985				19,332,985	21,400,661
Total Assets	$ 33,825,786	$ 1,897,111	$ 7,806,453	$ (7,100,306)	$ 36,429,044	$ 35,432,097
FUND BALANCE						
Reserved for Encumbrances	$ 1,842,134	$ 289,988	$ 246,307	$ 82,511	$ 2,460,943	$ 1,598,915
Unreserved:						
Designated for Continuing Appropriations	27,403,142	90,890			27,494,033	15,691,472
Designated for Specific Purposes			7,560,145	(7,182,818)	377,326	2,605,256
Undesignated	4,580,509	1,516,231			6,096,741	15,536,453
Total Fund Balance	$ 33,825,786	$ 1,897,111	$ 7,806,453	$ (7,100,306)	$ 36,429,044	$ 35,432,097

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE–ALL SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 1987

	Transportation	Fish and Wildlife	Special	Federal Revenue	Totals for the Year Ended June 30, 1987	June 30, 1986
REVENUE RECEIPTS:						
Earnings of Departments:						
Fees	$ 8,053,848	$	$ 1,447,161	$	$ 9,501,010	$ 3,584,010
Rents and Leases	583,394	12,911	4,877,804		5,474,110	4,934,188
Sales of Commodities	22,504	97,522	10,541,516		10,661,543	5,081,939
Sales of Service	11,481		62,700,143		62,711,625	59,848,660
Federal Grants	65,026,545	1,448,144		211,062,401	277,537,092	254,727,027
Fines, Forfeits and Penalties	2,380,064	244	5,600		2,385,908	26,703
Interest and Premiums	136,971	96,185	100,529		333,686	351,876
Licenses:						
Business	3,750	2,842	1,200,097		1,206,689	124,627
Non-Business	27,839,445	3,909,341	188,811		31,937,599	34,654,737
Special Assessments	53,009		9,669,255		9,722,265	8,997,429
Taxes	71,237,759		6,152,341		77,390,100	69,669,808
Other	8,115	134,205	11,390,277		11,532,598	9,859,336
Total Revenue Receipts	$175,356,891	$ 5,701,398	$108,273,539	$211,062,401	$500,394,230	$451,860,346
BUDGETARY DISBURSEMENTS:						
General Government	$	$	$ 14,226,173	$ 526,976	$ 14,753,150	$ 11,343,298
Protection to Persons and Property	13,422,783		7,070,559	4,443,343	24,936,686	22,205,073
Human Services			11,030,209	161,566,049	172,596,258	169,475,288
Manpower Services			624	15,744,429	15,745,053	14,434,513
Education			5,319,228	25,715,444	31,034,672	29,666,142
Environmental Conservation	322,333	5,878,977	3,683,391	3,423,105	13,307,807	12,750,488
Development and Community Affairs			4,062,503	4,917,809	8,980,313	10,567,334
Transportation	144,411,959		806,841		145,218,800	127,539,004
Public Service Enterprises			54,940,489		54,940,489	50,693,371
Debt Service	11,382,952				11,382,952	11,826,824
Miscellaneous			11,448,482		11,448,482	5,321,511
Total Budgetary Disbursements	$169,540,029	$ 5,878,977	$112,588,502	$216,337,158	$504,344,667	$465,822,852
Excess of Revenues Over (Under) Expenditures	$ 5,816,862	$ (177,579)	$ (4,314,963)	$ (5,274,756)	$ (3,950,436)	$(13,962,505)
Other Financing Sources (Uses):						
Operating Transfers In	$ 5,108,508	$ 74,493	$ 12,245,152	$ 95,430	$ 17,523,584	$ 14,318,923
Operating Transfers Out	(5,459,236)		(9,226,399)	(73,864)	(14,759,500)	(5,010,851)
Increase (Decrease) in Receivables	(2,067,675)				(2,067,675)	10,269,431
Proceeds of Refunding Bonds						6,559,460
Payment to Refunded Bond Escrow Agent						(6,991,710)
Other Sources (Uses)	4,654	391		4,245,929	4,250,975	2,580,965
Total Other Financing Sources (Uses)	$ (2,413,749)	$ 74,884	$ 3,018,753	$ 4,267,495	$ 4,947,383	$ 21,726,219
Excess of Revenues and Other Sources Over Expenditures and Other Uses	$ 3,403,113	$ (102,694)	$ (1,296,210)	$ (1,007,261)	$ 996,947	$ 7,763,713
Fund Balance, July 1	30,422,673	1,999,805	9,102,663	(6,093,045)	35,432,097	27,668,384
Fund Balance, June 30	$ 33,825,786	$ 1,897,111	$ 7,806,453	$ (7,100,306)	$ 36,429,044	$ 35,432,097

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
TRANSPORTATION FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1987 and 1986

	June 30, 1987	June 30, 1986
ASSETS		
Cash	$ 14,492,801	$ 9,022,012
Unreimbursed Charges to Federal Aid Accounts	19,332,985	21,400,661
Total Assets	$ 33,825,786	$ 30,422,673
FUND BALANCE		
Reserved for Encumbrances	$ 1,842,134	$ 1,111,844
Unreserved:		
Designated for Continuing Appropriations	27,403,142	15,677,149
Undesignated	4,580,509	13,633,679
Total Fund Balance	$ 33,825,786	$ 30,422,673

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
TRANSPORTATION FUND
COMPARATIVE STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1987 and 1986

	Year Ended June 30, 1987	Year Ended June 30, 1986
REVENUES:		
Taxes:		
Motor Fuel	$ 34,306,582	$ 33,252,398
Purchase and Use	29,989,002	25,886,946
Other Taxes	6,942,174	6,264,634
Business Licenses	3,750	4,950
Non-Business Licenses:		
Motor Vehicle License and Registration	26,425,946	24,880,278
Other Non-Business Licenses	1,413,499	6,094,636
Fees	8,053,848	2,661,986
Services	11,481	7,749
Interest and Premiums	136,971	43,406
Federal Grants	65,026,545	49,829,673
Special Assessments	53,009	77,623
Other Revenues	2,994,078	293,680
Total Revenues	$175,356,891	$149,297,963
EXPENDITURES:		
Protection to Persons and Property	$ 13,422,783	$ 12,642,855
Environmental Conservation	322,333	465,640
Transportation	144,411,959	127,539,004
Debt Service	11,382,952	11,826,824
Total Expenditures	$169,540,029	$152,474,324
Excess of Revenues Over (Under) Expenditures	$ 5,816,862	$ (3,176,360)
Other Financing Sources (Uses):		
Transfers from General Fund	$ 4,129,787	$ 5,730,214
Transfers from Other Special Revenue Funds	978,721	268,945
Transfers to General Fund	(2,335,545)	(1,147,331)
Transfers to Other Special Revenue Funds	(364,493)	(600,000)
Other Operating Transfers Out	(2,759,198)	(2,580,000)
Proceeds of Refunding Bonds		6,559,460
Payment to Refunded Bond Escrow Agent		(6,991,710)
Increase (Decrease) in Receivables	(2,067,675)	10,269,431
Other Sources	4,654	16,993
Total Other Financing Sources (Uses)	$ (2,413,749)	$ 11,526,003
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 3,403,113	$ 8,349,642
Fund Balance, July 1	30,422,673	22,073,031
Fund Balance, June 30	$ 33,825,786	$ 30,422,673

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
FISH AND WILDLIFE FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1987 and 1986

	June 30, 1987	June 30, 1986
ASSETS		
Cash	$ 1,897,111	$ 1,999,805
Total Assets	$ 1,897,111	$ 1,999,805
FUND BALANCE		
Reserved for Encumbrances	$ 289,988	$ 82,708
Unreserved:		
Designated for Continuing Appropriations	90,890	14,323
Undesignated	1,516,231	1,902,774
Total Fund Balance	$ 1,897,111	$ 1,999,805

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
FISH AND WILDLIFE FUND
COMPARATIVE STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1987 and 1986

	Year Ended	
	June 30, 1987	June 30, 1986
REVENUES:		
Non-Business Licenses	$ 3,909,341	$ 3,508,986
Interest and Premiums	96,185	153,268
Federal Grants	1,448,144	1,175,655
Other Revenues	247,726	216,734
Total Revenues	$ 5,701,398	$ 5,054,645
EXPENDITURES:		
Environmental Conservation	$ 5,878,977	$ 5,331,384
Total Expenditures	$ 5,878,977	$ 5,331,384
Excess of Revenues Over (Under) Expenditures	$ (177,579)	$ (276,739)
Other Financing Sources:		
Transfers From Other Special Revenue Funds	$ 74,493	$
Prior Year Expenditure Recoveries	391	85
Total Other Financing Sources	$ 74,884	$ 85
Excess of Revenues and Other Sources Over (Under) Expenditures	$ (102,694)	$ (276,653)
Fund Balance, July 1	1,999,805	2,276,459
Fund Balance, June 30	$ 1,897,111	$ 1,999,805

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
SPECIAL FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1987 and 1986

	June 30, 1987	June 30, 1986
ASSETS		
Cash	$ 7,806,453	$ 9,102,663
Total Assets	$ 7,806,453	$ 9,102,663
FUND BALANCE		
Reserved for Encumbrances	$ 246,307	$ 379,207
Unreserved	7,560,145	8,723,456
Total Fund Balance	$ 7,806,453	$ 9,102,663

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
SPECIAL FUND
COMPARATIVE STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1987 and 1986

	Year Ended June 30, 1987	Year Ended June 30, 1986
REVENUES:		
Taxes	$ 6,152,341	$ 4,265,829
Business Licenses	1,200,097	116,961
Non-Business Licenses	188,811	170,836
Fees	1,447,161	922,024
Rents and Leases	4,877,804	4,658,397
Sales of Service:		
Public Power	53,575,146	51,405,145
Other	9,124,997	8,435,765
Interest and Premiums	100,529	155,201
Special Assessments	9,669,255	8,919,806
Lottery Tickets	10,140,327	4,509,330
Other Revenues	11,797,066	10,226,741
Total Revenues	$108,273,539	$ 93,786,038
EXPENDITURES:		
General Government	$ 14,226,173	$ 10,768,074
Protection to Persons and Property	7,070,559	5,722,103
Human Services	11,030,209	9,856,951
Manpower Services	624	15,810
General Education	5,319,228	4,981,913
Environmental Conservation	3,683,391	3,199,141
Development and Community Affairs	4,062,503	4,127,641
Transportation	806,841	
Purchased Electrical Energy	54,940,489	50,693,371
Miscellaneous	11,448,482	5,321,511
Total Expenditures	$112,588,502	$ 94,686,521
Excess of Revenues Over (Under) Expenditures	$ (4,314,963)	$ (900,483)
Other Financing Sources (Uses):		
Transfers From General Fund	$ 10,437,110	$ 7,502,431
Transfers From Other Special Revenue Funds	348,814	639,113
Other Operating Transfers In	1,459,228	25,000
Transfers to General Fund	(8,104,167)	(222,241)
Transfers to Other Special Revenue Funds	(1,072,232)	(422,164)
Other Operating Transfers Out	(50,000)	
Other Uses		(4,950)
Total Other Financing Sources	$ 3,018,753	$ 7,517,188
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (1,296,210)	$ 6,616,705
Fund Balance, July 1	9,102,663	2,485,958
Fund Balance, June 30	$ 7,806,453	$ 9,102,663

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
FEDERAL REVENUE FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1987 and 1986

	June 30, 1987	June 30, 1986
ASSETS		
Cash	$ (7,100,306)	$ (6,093,045)
Total Assets	$ (7,100,306)	$ (6,093,045)
FUND BALANCE		
Reserved for Encumbrances	$ 82,511	$ 25,154
Unreserved (Deficit)	(7,182,818)	(6,118,199)
Total Fund Balance	$ (7,100,306)	$ (6,093,045)

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
FEDERAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1987 and 1986

	Year Ended	
	June 30, 1987	June 30, 1986
REVENUES:		
Federal Grants	$211,062,401	$203,721,698
Total Revenues	$211,062,401	$203,721,698
EXPENDITURES:		
General Government	$ 526,976	$ 575,223
Protection to Persons and Property	4,443,343	3,840,114
Human Services	161,566,049	159,618,337
Manpower Services	15,744,429	14,418,702
General Education	25,715,444	24,684,229
Environmental Conservation	3,423,105	3,754,321
Development and Community Affairs	4,917,809	6,439,693
Total Expenditures	$216,337,158	$213,330,620
Excess of Revenues Over (Under) Expenditures	$ (5,274,756)	$ (9,608,922)
Other Financing Sources (Uses):		
Transfers From General Fund	$ 1,919	$
Transfers From Other Special Revenue Funds	93,511	153,218
Non-Revenue Receipts	4,245,929	2,568,836
Transfers To General Fund	(15,050)	
Transfer To Other Special Revenue Funds	(58,814)	(39,114)
Total Other Financing Sources	$ 4,267,495	$ 2,682,941
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (1,007,261)	$ (6,925,980)
Fund Balance, July 1	(6,093,045)	832,935
Fund Balance, June 30 (Deficit)	$ (7,100,306)	$ (6,093,045)

The accompanying notes are an integral part of the financial statements.

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CAPITAL PROJECTS FUNDS

STATE OF VERMONT
COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS–ALL CAPITAL PROJECTS FUNDS
JUNE 30, 1987

	General Bond	Transportation Bond	Totals June 30, 1987	Totals June 30, 1986
ASSETS				
Cash	$ 35,183,241	$ 649,524	$ 35,832,765	$ 31,327,005
Total Assets	$ 35,183,241	$ 649,524	$ 35,832,765	$ 31,327,005
FUND BALANCE				
Reserved for Encumbrances	$ 6,334,027	$	$ 6,334,027	$ 4,262,207
Unreserved:				
Designated for Continuing Appropriations	28,764,763	649,524	29,414,287	26,980,348
Undesignated	84,450		84,450	84,450
Total Fund Balance	$ 35,183,241	$ 649,524	$ 35,832,765	$ 31,327,005

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE–ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 1987

	General Bond	Transportation Bond	Totals For The Year Ended June 30, 1987	Totals For The Year Ended June 30, 1986
BUDGETARY DISBURSEMENTS:				
General Government	$ 2,173,893	$	$ 2,173,893	$ 4,495,378
Protection to Persons and Property	183,959		183,959	290,419
Human Services	1,302,794		1,302,794	3,300,523
Education	4,995,724		4,995,724	3,188,117
Environmental Conservation	5,710,065		5,710,065	4,439,790
Development and Community Affairs	76,909		76,909	207,134
Transportation		2,958,064	2,958,064	6,218,632
Miscellaneous	728,531		728,531	1,875,873
Total Budgetary Disbursements	$ 15,171,878	$ 2,958,064	$ 18,129,942	$ 24,015,870
Excess of Revenues Over (Under) Expenditures	$(15,171,878)	$ (2,958,064)	$(18,129,942)	$(24,015,870)
Other Financing Sources (Uses):				
Proceeds From Sale of Bonds and Notes	$ 24,095,930	$	$ 24,095,930	$ 24,610,000
Operating Transfers Out	(1,460,227)		(1,460,227)	(25,000)
Total Other Financing Sources	$ 22,635,702	$	$ 22,635,702	$ 24,585,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 7,463,823	$ (2,958,064)	$ 4,505,759	$ 569,129
Fund Balance, July 1	27,719,417	3,607,588	31,327,005	30,757,876
Fund Balance, June 30	$ 35,183,241	$ 649,524	$ 35,832,765	$ 31,327,005

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
GENERAL BOND FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1987 and 1986

	June 30, 1987	June 30, 1986
ASSETS		
Cash	$ 35,183,241	$ 27,719,417
Total Assets	$ 35,183,241	$ 27,719,417
FUND BALANCE		
Reserved for Encumbrances	$ 6,334,027	$ 4,261,516
Unreserved:		
Designated for Continuing Appropriations	28,764,763	23,373,451
Undesignated	84,450	84,450
Total Fund Balance	$ 35,183,241	$ 27,719,417

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
GENERAL BOND FUND
COMPARATIVE STATEMENT OF EXPENDITURES PAID
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1987 and 1986

	Year Ended	
	June 30, 1987	June 30, 1986
EXPENDITURES:		
General Government	$ 2,173,893	$ 4,495,378
Protection to Persons and Property	183,959	290,419
Human Services	1,302,794	3,300,523
Education	4,995,724	3,188,117
Environmental Conservation	5,710,065	4,439,790
Development and Community Affairs	76,909	207,134
Miscellaneous	728,531	1,875,873
Total Expenditures	$ 15,171,878	$ 17,797,237
Other Financing Sources (Uses):		
Proceeds From Sale of Bonds and Notes	$ 24,095,930	$ 23,535,000
Operating Transfers Out	(1,460,227)	(25,000)
Total Other Financing Sources	$ 22,635,702	$ 23,510,000
Excess of Other Financing Sources Over Expenditures	$ 7,463,823	$ 5,712,762
Fund Balance, July 1	27,719,417	22,006,655
Fund Balance, June 30	$ 35,183,241	$ 27,719,417

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
TRANSPORTATION BOND FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1987 and 1986

	June 30, 1987	June 30, 1986
ASSETS		
Cash	$ 649,524	$ 3,607,588
Total Assets	$ 649,524	$ 3,607,588
FUND BALANCE		
Reserved for Encumbrances	$	$ 691
Unreserved – Designated for Continuing Appropriations	649,524	3,606,897
Total Fund Balance	$ 649,524	$ 3,607,588

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
TRANSPORTATION BOND FUND
COMPARATIVE STATEMENT OF EXPENDITURES PAID
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1987 and 1986

	Year Ended	
	June 30, 1987	June 30, 1986
EXPENDITURES:		
Transportation	$ 2,958,064	$ 6,218,632
Total Expenditures	$ 2,958,064	$ 6,218,632
Other Financing Sources (Uses):		
Proceeds From Sale of Bonds	$	$ 1,075,000
Total Other Financing Sources	$	$ 1,075,000
Excess of Other Financing Sources Over (Under) Expenditures	$ (2,958,064)	$ (5,143,632)
Fund Balance, July 1	3,607,588	8,751,221
Fund Balance, June 30	$ 649,524	$ 3,607,588

The accompanying notes are an integral part of the financial statements.

ENTERPRISE FUNDS

STATE OF VERMONT
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987

	Industrial Homework Office Fund	Liquor Control Fund	Surplus Property Fund	Vermont Life Magazine Fund	Totals June 30, 1987	Totals June 30, 1986
ASSETS						
Current Assets:						
Cash	$ 12,401	$ 404,768	$ (79,976)	$ 46,700	$ 383,893	$ 60,695
Accounts Receivable (net of allowance for uncollectibles)	19,945	22,735	12,925	52,676	108,282	107,258
Due From Agents		906			906	853
Inventories, at cost		3,189,514		158,188	3,347,703	3,578,084
Prepaid Expenses		97,722		95,573	193,295	167,396
Total Current Assets	$ 32,347	$ 3,715,647	$ (67,051)	$ 353,139	$ 4,034,082	$ 3,914,288
Restricted Assets:						
Cash-Subscription Reserve Fund	$	$	$	$ 369,599	$ 369,599	$ 295,891
Imprest Cash and Change Fund-Advances		4,130		200	4,330	4,330
Total Restricted Assets	$	$ 4,130	$	$ 369,799	$ 373,929	$ 300,221
Fixed Assets:						
Buildings and Leasehold Improvements	$	$ 118,965	$	$	$ 118,965	$ 104,946
Equipment, Furniture and Fixtures	18,575	1,524,364	7,829	69,416	1,620,185	1,594,568
Accumulated Depreciation	(18,575)	(1,076,677)	(250)	(37,225)	(1,132,730)	(985,885)
Total Fixed Assets	$ 0	$ 566,652	$ 7,578	$ 32,190	$ 606,421	$ 713,628
Total Assets	$ 32,347	$ 4,286,429	$ (59,472)	$ 755,129	$ 5,014,433	$ 4,928,138
LIABILITIES AND FUND EQUITY						
Current Liabilities:						
Accounts Payable	$	$ 1,396,758	$ 8,836	$ 28,848	$ 1,434,444	$ 1,560,164
Accrued Salaries and Benefits	1,799	306,863	2,234	40,256	351,153	318,372
Due to Agents		42,483			42,483	45,501
Revenue Collected in Advance				3,512	3,512	3,094
Total Current Liabilities	$ 1,799	$ 1,746,106	$ 11,071	$ 72,617	$ 1,831,594	$ 1,927,132
Liabilities Payable From Restricted Assets:						
Unexpired Subscriptions	$	$	$	$ 369,599	$ 369,599	$ 295,891
Cash Advances by State Treasurer		4,130		200	4,330	4,330
Total Liabilities Payable From Restricted Assets	$	$ 4,130	$	$ 369,799	$ 373,929	$ 300,221
Fund Equity:						
Contributed Capital:						
General Fund	$	$	$	$ 600,133	$ 600,133	$ 600,133
Federal Government and Other Funds	103,801				103,801	103,401
Retained Earnings (Deficit)	(73,254)	2,536,193	(70,543)	(287,421)	2,104,974	1,997,249
Total Fund Equity	$ 30,547	$ 2,536,193	$ (70,543)	$ 312,712	$ 2,808,909	$ 2,700,784
Total Liabilities and Fund Equity	$ 32,347	$ 4,286,429	$ (59,472)	$ 755,129	$ 5,014,433	$ 4,928,138

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

	Industrial Homework Office Fund	Liquor Control Fund	Surplus Property Fund	Vermont Life Magazine Fund	Totals 1987	Totals 1986
Operating Revenues:						
Sales and Service Charges	$ 59,314	$ 29,465,490	$ 73,666	$ 1,310,716	$ 30,909,187	$ 30,771,429
Operating Revenue Deductions:						
Cost of Sales and Services	$	$ 24,157,330	$	$ 640,743	$ 24,798,074	$ 24,757,680
Operating Expenses:						
Salaries and Wages	50,146		17,217	215,186	282,550	261,614
Employee Benefits	3,531		2,615	47,401	53,548	50,797
Transportation			4,916	27,588	32,504	32,156
Warehouse Expense		276,489	12,876		289,365	273,744
Depreciation	792		26	10,416	11,235	12,108
Rentals			2,858		2,858	3,105
Utilities			1,040		1,040	1,178
Stores and Agencies Expense		3,308,074			3,308,074	3,233,372
Promotions and Advertising			156	185,984	186,141	192,856
Administrative Expenses		709,082		102,377	811,460	812,552
Supplies			68	17,357	17,426	15,809
Distribution and Postage				117,937	117,937	101,294
Travel			2,595	5,501	8,097	3,677
Loss (Gain) on Disposal of Equipment		(2,588)			(2,588)	1,028
Bad Debts				2,647	2,647	3,424
Compensated Absences Expense						1,198
Other Operating Expenses		144	5,206	20,374	25,724	20,841
Total Operating Revenue Deductions	$ 54,470	$ 28,448,533	$ 49,577	$ 1,393,519	$ 29,946,100	$ 29,778,444
Operating Income (Loss)	$ 4,844	$ 1,016,957	$ 24,088	$ (82,802)	$ 963,087	$ 992,985
Non-Operating Revenues (Expenses):						
License Fees	$	$	$	$	$	$ 22,800
Sale of Mailing Lists				22,860	22,860	18,488
Other Non-Operating Income		56,522		65,875	122,397	118,848
Inspection and Enforcement		(672,975)			(672,975)	(618,556)
Legislative Appropriations		(327,645)			(327,645)	(327,645)
Total Non-Operating Revenues (Expenses)	$	$ (944,097)	$	$ 88,735	$ (855,362)	$ (786,064)
Net Income (Loss)	$ 4,844	$ 72,859	$ 24,088	$ 5,932	$ 107,725	$ 206,921
Retained Earnings, July 1	$ (78,098)	$ 2,463,333	$ (94,631)	$ (293,354)	$ 1,997,249	$ 1,985,448
Deduct: Prior Period Adjustments – Unrecorded Compensated Absences in Prior Years						195,119
Adjusted Retained Earnings, July 1	$ (78,098)	$ 2,463,333	$ (94,631)	$ (293,354)	$ 1,997,249	$ 1,790,328
Retained Earnings, June 30	$ (73,254)	$ 2,536,193	$ (70,543)	$ (287,421)	$ 2,104,974	$ 1,997,249

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

	Industrial Homework Office Fund	Liquor Control Fund	Surplus Property Fund	Vermont Life Magazine Fund	Totals 1987	Totals 1986
Sources of Working Capital:						
Operations:						
Net Income (Loss)	$ 4,844	$ 72,859	$ 24,088	$ 5,932	$ 107,725	$ 206,921
Items Not Requiring Working Capital:						
Depreciation	792	159,207	26	10,416	170,443	174,038
Working Capital Provided by Operations	$ 5,637	$ 232,067	$ 24,114	$ 16,349	$ 278,168	$ 380,959
Contributions	400				400	
Disposal of Equipment		6,126			6,126	10,356
Total Sources of Working Capital	$ 6,037	$ 238,194	$ 24,114	$ 16,349	$ 284,694	$ 391,315
Uses of Working Capital:						
Acquisition of Equipment	400	60,744	7,441	777	69,363	151,065
Net Increase (Decrease) in Working Capital	$ 5,637	$ 177,450	$ 16,672	$ 15,572	$ 215,331	$ 240,250
Elements of Net Increase (Decrease) in Working Capital:						
Cash	$ (205)	$ 324,282	$ 20,670	$ (21,548)	$ 323,198	$ (210,380)
Receivables (Net of Allowances)	4,513	19,283	4,463	(27,182)	1,077	15,868
Inventories		(229,487)		(893)	(230,381)	(84,465)
Prepaid Expenses		191	(1,495)	27,203	25,899	7,654
Accounts Payable		88,856	(6,516)	43,379	125,719	528,564
Accrued Payroll and Benefits	1,329	(28,693)	(449)	(4,967)	(32,781)	(11,826)
Due to Agents		3,017			3,017	(7,065)
Revenues Collected in Advance				(417)	(417)	1,901
Net Increase (Decrease) in Working Capital	$ 5,637	$ 177,450	$ 16,672	$ 15,572	$ 215,331	$ 240,250

The accompanying notes are an integral part of the financial statements.

INTERNAL SERVICE FUNDS

STATE OF VERMONT
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987

	Highway Garage Fund	Correctional Industries Fund	Department of Finance and Information Support	
			Central Computer Services Fund	Information Systems Development Fund
ASSETS				
Current Assets:				
Cash	$ 613,622	$ 608,153	$ (1,110,687)	$ (1,100,939)
Accounts Receivable (Net of Allowances)	37,891	167,150	205,154	94,132
Inventories, at Cost	642,051	535,959		
Prepaid Expenses	6,325		88,190	1,411
Total Current Assets	$ 1,299,889	$ 1,311,263	$ (817,342)	$ (1,005,395)
Restricted and Other Assets:				
Accounts Receivable – Deferred	$	$	$ 95,787	$
Funds on Deposit with Escrow Agent	319,735			
Investment in Agri-Mark Cooperative		20,828		
Imprest Fund-Advances from State Treasurer		100		
Total Restricted and Other Assets	$ 319,735	$ 20,928	$ 95,787	$
Fixed Assets:				
Machinery, Equipment, Buildings and Livestock	$ 17,147,169	$ 970,794	$ 5,242,716	$ 89,826
Accumulated Depreciation	(6,404,631)	(496,450)	(2,637,718)	(20,908)
Net Machinery, Equipment, Buildings and Livestock	$ 10,742,537	$ 474,344	$ 2,604,998	$ 68,917
Land	26,155			
Total Fixed Assets	$ 10,768,693	$ 474,344	$ 2,604,998	$ 68,917
Total Assets	$ 12,388,319	$ 1,806,535	$ 1,883,442	$ (936,478)
LIABILITIES AND FUND EQUITY				
Liabilities:				
Current Liabilities:				
Accounts Payable	$ 124,215	$ 74,589	$ 33,757	$ 3,323
Accrued Salaries and Benefits	125,410	57,249	86,952	112,200
Installments Payable on Equipment Purchases – Current Portion	1,025,855		886,923	3,510
Total Current Liabilities	$ 1,275,481	$ 131,839	$ 1,007,633	$ 119,035
Other Liabilities Payable From Restricted Assets:				
Due to State Treasurer-Imprest Fund Advances		100		
Long-Term Liabilities:				
Installments Payable on Equipment Purchases – Non-Current Portion	2,052,693		786,551	5,073
Total Liabilities	$ 3,328,174	$ 131,939	$ 1,794,184	$ 124,108
Fund Equity:				
Contributed Capital:				
Legislative Appropriations	$ 6,157,757	$ 20,000	$ 20,790	$ 344,985
Other Funds	101,199	112,128		
Retained Earnings (Deficit)	2,801,187	1,542,466	68,467	(1,405,571)
Total Fund Equity	$ 9,060,145	$ 1,674,595	$ 89,257	$ (1,060,586)
Total Liabilities and Fund Equity	$ 12,388,319	$ 1,806,535	$ 1,883,442	$ (936,478)

The accompanying notes are an integral part of the financial statements.

Purchasing Division			Human Services Agency	TOTALS	
Central Stores Fund	Copy Center Fund	Tele-communications Fund	Central Support Services Fund	June 30, 1987	June 30, 1986
$ (97,261)	$ (114,418)	$ (185,420)	$ (347,610)	$ (1,734,561)	$ (2,799,128)
29,210	33,548	263,400	205,495	1,035,983	1,125,391
160,931	5,454		174,786	1,519,183	1,595,390
1,239	5,852	8,243	3,450	114,712	156,347
$ 94,120	$ (69,563)	$ 86,223	$ 36,121	$ 935,317	$ 78,001
$	$	$	$	$ 95,787	$
				319,735	545,564
				20,828	15,653
				100	100
$	$	$	$	$ 436,451	$ 561,317
$ 145,180	$ 319,157	$ 173,616	$ 489,307	$ 24,577,769	$ 23,238,119
(59,922)	(157,383)	(155,722)	(281,871)	(10,214,609)	(8,469,732)
$ 85,258	$ 161,774	$ 17,894	$ 207,436	$ 14,363,160	$ 14,768,387
				26,155	26,155
$ 85,258	$ 161,774	$ 17,894	$ 207,436	$ 14,389,316	$ 14,794,543
$ 179,378	$ 92,211	$ 104,117	$ 243,557	$ 15,761,084	$ 15,433,862
$ 41,228	$ 5,181	$ 98,002	$ 83,949	$ 464,248	$ 650,586
7,951	4,041	2,553	29,866	426,225	396,951
	14,689			1,930,979	1,822,304
$ 49,179	$ 23,912	$ 100,556	$ 113,815	$ 2,821,452	$ 2,869,841
				100	100
				2,844,317	4,784,803
$ 49,179	$ 23,912	$ 100,556	$ 113,815	$ 5,665,870	$ 7,654,745
$	$	$	$	$ 6,543,532	$ 5,624,347
59,684	30,441	425	68,168	372,048	372,048
70,514	37,856	3,136	61,574	3,179,632	1,782,720
$ 130,198	$ 68,298	$ 3,561	$ 129,742	$ 10,095,214	$ 7,779,117
$ 179,378	$ 92,211	$ 104,117	$ 243,557	$ 15,761,084	$ 15,433,862

STATE OF VERMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

			Department of Finance and Information Support	
	Highway Garage Fund	Correctional Industries Fund	Central Computer Services Fund	Information Systems Development Fund
Operating Revenues:				
Charges for Sales and Services	$ 6,442,512	$ 1,820,721	$ 3,660,548	$ 1,009,252
Operating Revenue Deductions:				
Cost of Services	$ 1,908,230	$ 813,461	$	$
Operating Expenses:				
Salaries	385,462	527,178	674,957	966,417
Fixed Charges – Salaries			170,208	231,682
Supplies and Parts		65,635	196,223	3,624
Agriculture and Horticulture Supplies		33,460		
Data Processing Charges			9,823	
Transportation			4,878	15,268
Telephone/Telegraph			19,309	6,043
Postage			495	1,202
Printing and Duplicating			1,852	3,078
Rental of Data Processing Equipment			398,704	
Other Equipment Rentals				
Equipment Purchased for Agencies			335,291	
Repair and Maintenance	728,619		352,119	546
Interest Expense	312,834		214,061	1,193
Administrative Services Division			117,086	64,220
Operating Overhead	633,429			
Depreciation of Equipment	1,609,058	60,722	701,016	7,050
Depreciation (Appreciation) of Dairy Cattle		(11,050)		
Loss (Gain) on Disposal of Fixed Assets	(201,398)	11,549	9,152	3,456
Mortality Losses – Dairy Cattle		1,876		
Compensated Absences Expense				
Other Operating Expenses		142,260	83,632	31,262
Total Operating Revenue Deductions	$ 5,376,237	$ 1,645,094	$ 3,288,811	$ 1,335,045
Operating Income (Loss)	$ 1,066,274	$ 175,626	$ 371,737	$ (325,792)
Non-Operating Revenues:				
Building Rentals	$ 19,670	$	$	$
Equipment Rentals				
Interest Income	38,555			
Other Non-Operating Revenues	4,843	4,577		
Total Non-Operating Revenues	$ 63,068	$ 4,577	$	$
Income (Loss) Before Operating Transfers	$ 1,129,342	$ 180,204	$ 371,737	$ (325,792)
Operating Transfers In (Out):				
From Transportation Fund				15,013
From Department of Corrections				
To General Fund				(8,000)
Net Income (Loss)	$ 1,129,342	$ 180,204	$ 371,737	$ (318,779)
Retained Earnings, July 1	$ 1,671,845	$ 1,362,262	$ (303,269)	$ (1,086,791)
Deduct: Prior Period Adjustments – Unrecorded Compensated Absences in Prior Years				
Adjusted Retained Earnings, July 1	$ 1,671,845	$ 1,362,262	$ (303,269)	$ (1,086,791)
Retained Earnings, June 30	$ 2,801,187	$ 1,542,466	$ 68,467	$ (1,405,571)

The accompanying notes are an integral part of the financial statements.

Purchasing Division			Human Services Agency	TOTALS	
Central Stores Fund	Copy Center Fund	Tele-communications Fund	Central Support Services Fund	1987	1986
$ 373,538	$ 256,477	$ 1,613,540	$ 1,451,047	$ 16,627,639	$ 17,278,697
$ 327,966	$ 44,740	$ 1,569,912	$ 901,627	$ 5,565,938	$ 5,854,045
37,811	49,609	19,588	257,206	2,918,232	2,824,935
9,345	14,678	4,575	67,038	497,528	479,207
953	20,616			287,051	321,513
				33,460	44,896
18,235	89		5,366	33,514	78,745
1,119			5,154	26,420	23,567
396	459		5,532	31,742	111,371
				1,697	1,035
660				5,591	7,378
	6,212		1,952	406,868	474,763
50				50	7,466
				335,291	1,361,756
3,946	55,830		75,264	1,216,327	1,493,113
	3,852			531,942	687,019
				181,306	163,051
				633,429	626,817
35,383	50,114	18,203	70,232	2,551,782	2,333,351
				(11,050)	(14,625)
255			873	(176,112)	(45,838)
				1,876	342
					(14,309)
3,980	1,225	299	13,444	276,106	314,098
$ 440,104	$ 247,429	$ 1,612,579	$ 1,403,693	$ 15,348,996	$ 17,133,705
$ (66,565)	$ 9,047	$ 960	$ 47,354	$ 1,278,643	$ 144,992
$	$	$	$	$ 19,670	$ 21,170
43,609				43,609	10,288
				38,555	66,796
				9,420	1,273
$ 43,609	$	$	$	$ 111,255	$ 99,528
$ (22,955)	$ 9,047	$ 960	$ 47,354	$ 1,389,898	$ 244,520
				15,013	
					7,258
				(8,000)	
$ (22,955)	$ 9,047	$ 960	$ 47,354	$ 1,396,911	$ 251,778
$ 93,469	$ 28,808	$ 2,175	$ 14,219	$ 1,782,720	$ 1,775,386
					244,443
$ 93,469	$ 28,808	$ 2,175	$ 14,219	$ 1,782,720	$ 1,530,942
$ 70,514	$ 37,856	$ 3,136	$ 61,574	$ 3,179,632	$ 1,782,720

STATE OF VERMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

			Department of Finance and Information Support	
	Highway Garage Fund	Correctional Industries Fund	Central Computer Services Fund	Information Systems Development Fund
Sources of Working Capital:				
Operations:				
Net Income (Loss)	$ 1,129,342	$ 180,204	$ 371,737	$ (318,779)
Items Not Requiring (Providing) Working Capital:				
Depreciation	1,654,756	60,722	701,016	7,050
Appreciation		(13,200)		
Working Capital Provided (Used) by Operations	$ 2,784,099	$ 227,726	$ 1,072,753	$ (311,729)
Contributions	574,200			344,985
Disposal of Equipment	97,956	18,299	17,199	5,932
Decrease in Restricted Assets	225,828			
Total Sources of Working Capital	$ 3,682,084	$ 246,026	$ 1,089,953	$ 39,188
Uses of Working Capital:				
Increase in Restricted Assets	$	$	$ 95,787	$
Acquisition of Equipment and Buildings	1,819,465	37,222	246,663	890
Reduction of Long-Term Liabilities	1,028,498		892,997	4,302
Investment in Agri-Mark Cooperative		5,174		
Total Uses of Working Capital	$ 2,847,964	$ 42,397	$ 1,235,448	$ 5,192
Net Increase (Decrease) in Working Capital	$ 834,120	$ 203,629	$ (145,494)	$ 33,995
Elements of Net Increase (Decrease) in Working Capital:				
Cash	$ 873,449	$ 330,871	$ (92,018)	$ 26,698
Receivables (Net of Allowances)	(8,712)	(56,625)	30,920	5,177
Inventories	(32,892)	(35,080)		
Prepaid Expenses	6,325		(28,366)	1,109
Accounts Payable	66,640	(29,863)	30,041	446
Accrued Salaries and Benefits	(3,618)	(5,672)	(13,632)	(911)
Revenues Collected In Advance				
Installments Payable – Current Portion	(67,071)		(72,439)	1,474
Net Increase (Decrease) in Working Capital	$ 834,120	$ 203,629	$ (145,494)	$ 33,995

The accompanying notes are an integral part of the financial statements.

Purchasing Division			Human Services Agency	TOTALS	
Central Stores Fund	Copy Center Fund	Tele-communications Fund	Central Support Services Fund	1987	1986
$ (22,955)	$ 9,047	$ 960	$ 47,354	$ 1,396,911	$ 251,778
35,383	50,114	18,203	70,232	2,597,480	2,371,939
				(13,200)	(14,625)
$ 12,428	$ 59,161	$ 19,164	$ 117,587	$ 3,981,192	$ 2,609,092
				919,185	580,050
255			1,573	141,217	240,542
				225,828	1,564,761
$ 12,683	$ 59,161	$ 19,164	$ 119,161	$ 5,267,422	$ 4,994,447
$	$	$	$	$ 95,787	$
108,475	8,349		99,205	2,320,270	4,350,981
	14,686			1,940,485	1,925,217
				5,174	
$ 108,475	$ 23,035	$	$ 99,205	$ 4,361,718	$ 6,276,199
$ (95,792)	$ 36,125	$ 19,164	$ 19,956	$ 905,704	$ (1,281,752)
$ (72,851)	$ 15,741	$ (36,471)	$ 19,146	$ 1,064,566	$ (807,706)
(17,316)	(8,031)	(131,465)	96,644	(89,408)	(500,519)
10,913	2,702		(21,849)	(76,207)	(119,238)
1,239	(6,498)	2,740	(18,185)	(41,635)	50,394
(16,973)	3,952	185,526	(53,432)	186,337	302,548
(802)	(1,103)	(1,165)	(2,367)	(29,273)	7,167
					6,003
	29,362			(108,674)	(220,402)
$ (95,792)	$ 36,125	$ 19,164	$ 19,956	$ 905,704	$ (1,281,752)

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FIDUCIARY FUNDS

STATE OF VERMONT
COMBINING BALANCE SHEET–ALL FIDUCIARY FUNDS
JUNE 30, 1987

	Pension Trust Funds	Nonexpendable Trust Funds	
		Endowment Principal	Revolving Loan
ASSETS			
Cash	$ (1,186,770)	$ 31,681	$ 1,413,005
Investments	459,005,885	355,996	
Receivables:			
Contributions	449,849		
Investment Principal and Interest	10,393,456		
Loans			959,871
Other			
Total Assets	$468,662,420	$ 387,678	$ 2,372,876
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 3,638,287	$	$
Transfers Payable			136,374
Due to Depositories			
Deferred Revenue			
Amounts Held in Custody for Others			
Other Liabilities			
Total Liabilities	$ 3,638,287	$	$ 136,374
Fund Balances:			
Reserved for Loans	$	$	$ 2,236,502
Reserved for Endowments		387,678	
Reserved for Pension Benefits	465,024,133		
Reserved for Unemployment Compensation Benefits			
Reserved for Contingencies			
Total Fund Balances	$465,024,133	$ 387,678	$ 2,236,502
Total Liabilities and Fund Balances	$468,662,420	$ 387,678	$ 2,372,876

The accompanying notes are an integral part of the financial statements.

Expendable Trust Funds		Totals	
Endowment Revenues	Agency Fund	June 30, 1987	June 30, 1986
$113,297,802	$ 511,859	$114,067,578	$ 76,605,105
419,642	86,596,531	546,378,055	483,821,869
19,264,335		19,714,184	19,285,456
		10,393,456	16,045,394
		959,871	147,233
54,898	36,341	91,239	47,703
$133,036,678	$ 87,144,732	$691,604,386	$595,952,762
$ 76,210	$	$ 3,714,497	$ 24,282,764
		136,374	
	501,036	501,036	2,323,433
2,697,823		2,697,823	3,075,556
	86,596,531	86,596,531	73,628,294
214,425	47,165	261,590	328,925
$ 2,988,458	$ 87,144,732	$ 93,907,851	$103,638,972
$	$	$ 2,236,502	$ 161,859
19,408,831		19,796,509	15,973,253
		465,024,133	407,831,301
110,225,177		110,225,177	67,812,549
414,212		414,212	534,827
$130,048,220	$	$597,696,534	$492,313,789
$133,036,678	$ 87,144,732	$691,604,386	$595,952,762

STATE OF VERMONT
PENSION TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987

	Vermont State Retirement Fund	State Teachers' Retirement Fund	Vermont Municipal Employees' Retirement Fund	Totals June 30, 1987	Totals June 30, 1986
ASSETS					
Cash	$ (722,396)	$ (751,476)	$ 287,101	$ (1,186,770)	$ 1,587,736
Investments	201,994,964	237,901,377	19,109,543	459,005,885	408,760,118
Receivables:					
Pension Contributions	16,500	125,876	307,472	449,849	483,431
Investment Principal and Interest	4,685,150	5,606,068	102,238	10,393,456	16,044,986
Total Assets	$205,974,218	$242,881,846	$ 19,806,355	$468,662,420	$426,876,272
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 1,688,585	$ 1,949,702	$	$ 3,638,287	$ 19,044,971
Fund Balances:					
Reserved for Pension Benefits	204,285,633	240,932,143	19,806,355	465,024,133	407,831,301
Total Liabilities and Fund Balances	$205,974,218	$242,881,846	$ 19,806,355	$468,662,420	$426,876,272

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

	Vermont State Retirement Fund	State Teachers' Retirement Fund	Vermont Municipal Employees' Retirement Fund	Totals 1987	Totals 1986
Operating Revenues:					
Investment Income	$ 15,297,997	$ 16,705,888	$ 1,069,274	$ 33,073,160	$ 35,886,076
Employee Contributions	948,645	705,551	633,916	2,288,113	2,272,666
State of Vermont Contributions	16,762,829	16,239,413		33,002,243	30,580,524
Other Employer Contributions	234,756		887,244	1,122,000	1,006,525
Gain (Loss) on Investment Transactions	(2,866,452)	14,766,959	3,383,117	15,283,624	15,166,312
Other Income		101		101	
Total Operating Revenues	$ 30,377,777	$ 48,417,914	$ 5,973,552	$ 84,769,244	$ 84,912,105
Operating Expenses:					
Benefit Payments	$ 10,937,039	$ 12,362,610	$ 395,813	$ 23,695,463	$ 22,193,656
Refunds	159,446	158,468	164,560	482,475	710,506
Administrative and Other Expenses	1,812,656	1,477,817	107,999	3,398,473	2,630,824
Total Operating Expenses	$ 12,909,142	$ 13,998,896	$ 668,373	$ 27,576,412	$ 25,534,987
Net Income	$ 17,468,635	$ 34,419,017	$ 5,305,178	$ 57,192,831	$ 59,377,117
Fund Balances, July 1	186,816,998	206,513,126	14,501,177	407,831,301	348,454,183
Fund Balances, June 30	$204,285,633	$240,932,143	$ 19,806,355	$465,024,133	$407,831,301

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

	Vermont State Retirement Fund	State Teachers' Retirement Fund	Vermont Municipal Employees' Retirement Fund	Totals 1987	Totals 1986
Source of Working Capital:					
Operations–Net Income	$ 17,468,635	$ 34,419,017	$ 5,305,178	$ 57,192,831	$ 59,377,117
Elements of Net Increase (Decrease) in Working Capital:					
Cash	$ (1,820,048)	$ (1,035,024)	$ 80,566	$ (2,774,507)	$ 3,198,161
Investments	13,804,198	31,293,303	5,148,264	50,245,766	56,785,352
Receivables	(3,430,348)	(1,949,264)	(305,499)	(5,685,111)	10,000,424
Accounts Payable	8,914,833	6,110,003	381,847	15,406,684	(10,606,820)
Net Increase in Working Capital	$ 17,468,635	$ 34,419,017	$ 5,305,178	$ 57,192,831	$ 59,377,117

The accompanying notes are an integral part of the financial statements.

STATE OF VERMONT
NONEXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987

	Endowment Principal				
	Vermont Sanatorium Fund	Albert C. Lord Trust Fund	Bennington Battle Monument Fund	Zenus H. Ellis Fund	Carrie P. Underwood Fund
ASSETS					
Cash	$ 6,057	$	$ 1,065	$ 1,000	$ 10,000
Investments	196,188	159,807			
Loans Receivable					
Total Assets	$ 202,246	$ 159,807	$ 1,065	$ 1,000	$ 10,000
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$	$	$	$	$
Transfers Payable					
Total Liabilities	$	$	$	$	$
Fund Balances					
Reserved for Loans	$	$	$	$	$
Reserved for Endowments	202,246	159,807	1,065	1,000	10,000
Total Fund Balances	$ 202,246	$ 159,807	$ 1,065	$ 1,000	$ 10,000
Total Liabilities and Fund Balances	$ 202,246	$ 159,807	$ 1,065	$ 1,000	$ 10,000

The accompanying notes are an integral part of the financial statements.

Couching Lion Farm Cemetery Fund	Laura H. Morgan Fund	Lumberjack Fund	Total Endowment Principal	Revolving Loan: Vermont Rehabilitation Corp.	Revolving Loan: Municipal Heavy Equipment Loan Fund	Revolving Loan: Total Revolving Loan	Totals: June 30, 1987	Totals: June 30, 1986
$ 1,930	$ 2,500	$ 9,129	$ 31,681	$ 16,734	$1,396,270	$1,413,005	$1,444,687	$ 42,244
			355,996				355,996	359,172
				153,497	806,374	959,871	959,871	147,233
$ 1,930	$ 2,500	$ 9,129	$ 387,678	$ 170,231	$2,202,644	$2,372,876	$2,760,554	$ 548,651
$	$	$	$	$	$	$	$	$ 3,382
					136,374	136,374	136,374	
$	$	$	$	$-	$ 136,374	$ 136,374	$ 136,374	$ 3,382
$	$	$	$	$ 170,231	$2,066,270	$2,236,502	$2,236,502	$ 161,859
1,930	2,500	9,129	387,678				387,678	383,409
$ 1,930	$ 2,500	$ 9,129	$ 387,678	$ 170,231	$2,066,270	$2,236,502	$2,624,180	$ 545,268
$ 1,930	$ 2,500	$ 9,129	$ 387,678	$ 170,231	$2,202,644	$2,372,876	$2,760,554	$ 548,651

STATE OF VERMONT
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

	Endowment Principal				
	Vermont Sanatorium Fund	Albert C. Lord Trust Fund	Bennington Battle Monument Fund	Zenus H. Ellis Fund	Carrie P. Underwood Fund
Operating Revenues:					
Investment Income	$ 21,419	$ 23,686	$ 57	$ 53	$ 538
Gain on Investment Transactions	1,091	3,177			
Total Operating Revenues	$ 22,510	$ 26,863	$ 57	$ 53	$ 538
Operating Expenses:					
Loss on Bad Debts	$	$	$	$	$
Other Expenses					
Total Operating Expenses	$	$	$	$	$
Income (Loss) Before Operating Transfers	$ 22,510	$ 26,863	$ 57	$ 53	$ 538
Operating Transfers In (Out)	(21,419)	(23,686)	(57)	(53)	(538)
Net Income (Loss)	$ 1,091	$ 3,177	$ 0	$ 0	$ 0
Fund Balance, July 1	201,155	156,630	1,065	1,000	10,000
Fund Balance, June 30	$ 202,246	$ 159,807	$ 1,065	$ 1,000	$ 10,000

The accompanying notes are an integral part of the financial statements.

				Revolving Loan				
Couching Lion Farm Cemetery Fund	Laura H. Morgan Fund	Lumberjack Fund	Total Endowment Principal	Vermont Rehabilitation Corp.	Municipal Heavy Equipment Loan Fund	Total Revolving Loan	Totals 1987	Totals 1986
$ 630	$ 174	$ 734	$ 47,294	$ 9,532	$ 66,270	$ 75,803	$ 123,098	$ 62,482
			4,268				4,268	1,842
$ 630	$ 174	$ 734	$ 51,563	$ 9,532	$ 66,270	$ 75,803	$ 127,366	$ 64,324
$	$	$	$	$	$	$	$	$ 73,833
				1,160		1,160	1,160	640
$	$	$	$	$ 1,160	$	$ 1,160	$ 1,160	$ 74,473
$ 630	$ 174	$ 734	$ 51,563	$ 8,372	$ 66,270	$ 74,643	$ 126,206	$ (10,148)
(630)	(174)	(734)	(47,294)		2,000,000	2,000,000	1,952,705	(54,550)
$ 0	$ 0	$ 0	$ 4,268	$ 8,372	$2,066,270	$2,074,643	$2,078,911	$ (64,698)
1,930	2,500	9,129	383,409	161,859		161,859	545,268	609,967
$ 1,930	$ 2,500	$ 9,129	$ 387,678	$ 170,231	$2,066,270	$2,236,502	$2,624,180	$ 545,268

STATE OF VERMONT
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

	Endowment Principal				
	Vermont Sanatorium Fund	Albert C. Lord Trust Fund	Bennington Battle Monument Fund	Zenas H. Ellis Fund	Carrie P. Underwood Fund
Source of Working Capital:					
Operating – Net Income	$ 1,091	$ 3,177	$	$	$
Elements of Net Increase (Decrease) in Working Capital:					
Cash	$ 4,062	$	$	$	$
Investments	(6,353)	3,177			
Receivables					
Payables	3,382				
Net Increase (Decrease) in Working Capital	$ 1,091	$ 3,177	$	$	$

The accompanying notes are an integral part of the financial statements.

Couching Lion Farm Cemetery Fund	Laura H. Morgan Fund	Lumberjack Fund	Total Endowment Principal	Revolving Loan: Vermont Rehabilitation Corp.	Revolving Loan: Municipal Heavy Equipment Loan Fund	Revolving Loan: Total Revolving Loan	Totals: 1987	Totals: 1986
$	$	$	$ 4,268	$ 8,372	$2,066,270	$2,074,643	$2,078,911	$ (64,698)
$	$	$	$ 4,062	$ 2,109	$1,396,270	$1,398,379	$1,402,442	$ (84,971)
			(3,176)				(3,176)	20,273
				6,263	806,374	812,637	812,637	
			3,382		(136,374)	(136,374)	(132,991)	
$	$	$	$ 4,268	$ 8,372	$2,066,270	$2,074,643	$2,078,911	$ (64,698)

STATE OF VERMONT
EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987

	Unemployment Compensation Fund	Property Tax Relief Trust Fund	Medical Insurance Fund	Dental Insurance Fund	Life Insurance Fund	Independence Fund
ASSETS						
Cash	$ 93,949,300	$ 5,729,072	$ 1,559,083	$ 703,721	$ 653,843	$ 257,292
Investments			348,653			
Receivables:						
Contributions	19,264,335					
Investment Principal and Interest						
Other						
Total Assets	$113,213,635	$ 5,729,072	$ 1,907,736	$ 703,721	$ 653,843	$ 257,292
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 76,210	$	$	$	$	$
Accrued Salaries and Benefits	214,425					
Deferred Revenue	2,697,823					
Total Liabilities	$ 2,988,458	$	$	$	$	$
Fund Balances:						
Reserved for Endowments	$	$ 5,729,072	$ 1,907,736	$ 703,721	$ 653,843	$ 257,292
Reserved for Unemployment Compensation Benefits	110,225,177					
Reserved for Contingencies						
Total Fund Balances	$110,225,177	$ 5,729,072	$ 1,907,736	$ 703,721	$ 653,843	$ 257,292
Total Liabilities and Fund Balances	$113,213,635	$ 5,729,072	$ 1,907,736	$ 703,721	$ 653,843	$ 257,292

The accompanying notes are an integral part of the financial statements.

Vt. State Dairy Industry Fund	Exxon Settlement Fund	Stripper Well Settlement Fund	All Other Expendable Trust Funds	Totals June 30, 1987	Totals June 30, 1986
$ 291,135	$ 4,929,468	$ 2,086,121	$ 3,138,763	$113,297,802	$ 72,602,820
			70,989	419,642	1,074,284
				19,264,335	18,802,025
					407
			54,898	54,898	44,748
$ 291,135	$ 4,929,468	$ 2,086,121	$ 3,264,650	$133,036,678	$ 92,524,285
$	$	$	$	$ 76,210	$ 5,231,589
				214,425	279,920
				2,697,823	3,075,556
$	$	$	$	$ 2,988,458	$ 8,587,065
$ 291,135	$ 4,929,468	$ 2,086,121	$ 2,850,438	$ 19,408,831	$ 15,589,843
				110,225,177	67,812,549
			414,212	414,212	534,827
$ 291,135	$ 4,929,468	$ 2,086,121	$ 3,264,650	$130,048,220	$ 83,937,219
$ 291,135	$ 4,929,468	$ 2,086,121	$ 3,264,650	$133,036,678	$ 92,524,285

STATE OF VERMONT
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

	Unemployment Compensation Fund	Property Tax Relief Trust Fund	Medical Insurance Fund	Dental Insurance Fund	Life Insurance Fund	Independence Fund
Operating Revenues:						
Contributions	$ 61,748,069	$	$	$	$	$
Investment Income	6,773,235	321,787	162,059	34,916	45,357	12,369
Unclaimed Tickets						
Insurance Claims						
Taxes and Assessments		2,966,632				
Abandoned Property						
Insurance Premiums Collected			8,985,328	1,676,703	487,729	
Other	558,794			5,840		
Total Operating Revenues	$ 69,080,098	$ 3,288,420	$ 9,147,387	$ 1,717,461	$ 533,086	$ 12,369
Operating Expenses:						
Salaries and Administrative Fees	$	$ 270,000	$ 133,441	$ 8,924	$ 5,318	$
Benefit Payments	26,149,008	9,038,011				
Insurance Claims			8,788,693	1,315,888	460,134	
Insurance Premiums			372,420	176,136	20,945	
Fire Loss						
Other	254,215			64,528		
Total Operating Expenses	$ 26,403,223	$ 9,308,011	$ 9,294,556	$ 1,565,477	$ 486,398	$
Excess (Deficiency) of Revenue Over Expenditures	$ 42,676,875	$ (6,019,591)	$ (147,168)	$ 151,984	$ 46,688	$ 12,369
Other Financing Sources (Uses):						
Operating Transfers In	$ 331,480	$ 8,334,955	$	$	$	$ 290,000
Operating Transfers (Out)	(595,727)				(200,000)	(339,500)
Fund Additions						
Total Other Financing Sources (Uses)	$ (264,247)	$ 8,334,955	$	$	$ (200,000)	$ (49,500)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	$ 42,412,628	$ 2,315,363	$ (147,168)	$ 151,984	$ (153,311)	$ (37,130)
Fund Balances, July 1, as restated	67,812,549	3,413,709	2,054,905	551,737	807,154	294,423
Fund Balances, June 30	$110,225,177	$ 5,729,072	$ 1,907,736	$ 703,721	$ 653,843	$ 257,292

The accompanying notes are an integral part of the financial statements.

Vt State Dairy Industry Fund	Exxon Settlement Fund	Stripper Well Settlement Fund	All Other Expendable Trust Funds	Totals 1987	Totals 1986
$	$	$	$	$ 61,748,069	$
10,335	312,127	89,681	251,600	8,013,470	991,935
			36,339	36,339	15,394
			80,000	80,000	
1,815,870				4,782,503	3,416,649
			102,574	102,574	263,787
				11,149,761	9,250,247
				564,634	
$ 1,826,206	$ 312,127	$ 89,681	$ 470,514	$ 86,477,353	$ 13,938,014
$	$	$	$ 31,710	$ 449,395	$ 310,736
			84,152	35,271,172	6,900,925
				10,564,715	9,661,808
				569,502	544,721
					22,534
			138,871	457,614	164,365
$	$	$	$ 254,733	$ 47,312,399	$ 17,605,091
$ 1,826,206	$ 312,127	$ 89,681	$ 215,780	$ 39,164,953	$ (3,667,077)
$	$	$	$ 620,951	$ 9,577,386	$ 5,397,218
(1,783,007)	(483,500)		(1,772,489)	(5,174,223)	(2,784,246)
		1,996,440	546,443	2,542,883	6,187,367
$ (1,783,007)	$ (483,500)	$ 1,996,440	$ (605,093)	$ 6,946,047	$ 8,800,339
$ 43,198	$ (171,372)	$ 2,086,121	$ (389,312)	$ 46,111,000	$ 5,133,262
247,936	5,100,840		3,653,963	83,937,219	10,456,581
$ 291,135	$ 4,929,468	$ 2,086,121	$ 3,264,650	$130,048,220	$ 15,589,843

STATE OF VERMONT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES–ALL AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1987

	Balance July 1, 1986	Additions	Deductions	Balance June 30, 1987
RETIREMENT SYSTEM CONTRIBUTIONS AND WITHHOLDINGS FUND				
ASSETS				
Cash	$ (327)	$ 17,681,061	$ 17,680,677	$ 56
Accounts Receivable	1,352		1,352	
Total Assets	$ 1,024	$ 17,681,061	$ 17,682,029	$ 56
LIABILITIES				
Due to Depositories	$ 1,024	$ 17,681,061	$ 17,682,029	$ 56
FEDERAL INCOME TAX WITHHOLDINGS FUND				
ASSETS				
Cash	$ (1,529)	$ 20,024,866	$ 20,023,358	$ (21)
Accounts Receivable	1,529	21	1,529	21
Total Assets	$	$ 20,024,888	$ 20,024,888	$
LIABILITIES				
Due to Depositories	$	$ 20,024,888	$ 20,024,888	$
STATE INCOME TAX WITHHOLDINGS FUND				
ASSETS				
Cash	$ 381,617	$ 5,214,155	$ 5,205,228	$ 390,544
LIABILITIES				
Due to Depositories	$ 381,617	$ 5,214,155	$ 5,205,228	$ 390,544
SOCIAL SECURITY TAX CONTRIBUTIONS AND WITHHOLDINGS FUND				
ASSETS				
Cash	$ 1,927,711	$ 43,426,246	$ 45,287,064	$ 66,893
LIABILITIES				
Due to Depositories	$ 1,927,711	$ 43,426,246	$ 45,287,064	$ 66,893
EMPLOYEES CREDIT UNION WITHHOLDINGS FUND				
ASSETS				
Cash	$ 98	$ 23,290,247	$ 23,290,247	$ 98
LIABILITIES				
Due to Depositories	$ 98	$ 23,290,247	$ 23,290,247	$ 98

	Balance July 1, 1986	Additions	Deductions	Balance June 30, 1987
EMPLOYEES INSURANCE CONTRIBUTIONS AND WITHHOLDINGS FUND				
ASSETS				
Cash	$ 1,734	$ 10,257,545	$ 10,219,853	$ 39,425
Accounts Receivable	68		68	
Total Assets	$ 1,802	$ 10,257,545	$ 10,219,922	$ 39,425
LIABILITIES				
Due to Depositories	$ 1,802	$ 10,257,545	$ 10,219,922	$ 39,425
EMPLOYEES DEFERRED INCOME WITHHOLDINGS FUND				
ASSETS				
Cash	$	$ 3,155,588	$ 3,155,588	$
LIABILITIES				
Due to Depositories	$	$ 3,155,588	$ 3,155,588	$
OTHER EMPLOYEE WITHHOLDINGS FUNDS				
ASSETS				
Cash	$ 11,174	$ 998,315	$ 1,016,371	$ (6,881)
Accounts Receivable	5	10,898	5	10,898
Total Assets	$ 11,179	$ 1,009,214	$ 1,016,376	$ 4,017
LIABILITIES				
Due to Depositories	$ 11,179	$ 1,009,214	$ 1,016,376	$ 4,017
UNIDENTIFIED RECEIPTS FUND				
ASSETS				
Cash	$	$ 1,254,310	$ 1,279,729	$ (25,418)
Accounts Receivable		25,418		25,418
Total Assets	$	$ 1,279,729	$ 1,279,729	$
LIABILITIES				
Other Liabilities	$	$ 1,279,729	$ 1,279,729	$
DEFERRED COMPENSATION FUND				
ASSETS				
Investments, at Market	$ 15,810,499	$ 4,993,349	$ 283,625	$ 20,520,223
LIABILITIES				
Amounts Held in Custody for Others	$ 15,810,499	$ 4,993,349	$ 283,625	$ 20,520,223
SINGLE DEPOSIT INVESTMENT FUND				
ASSETS				
Investments, at Cost	$ 57,817,794	$ 8,847,354	$ 588,841	$ 66,076,307
LIABILITIES				
Amounts Held in Custody for Others	$ 57,817,794	$ 8,847,354	$ 588,841	$ 66,076,307

	Balance July 1, 1986	Additions	Deductions	Balance June 30, 1987
VENDOR AND OTHER DEPOSITS FUND				
ASSETS				
Cash	$ 51,825	$ 141,103	$ 145,765	$ 47,162
Accounts Receivable		2		2
Total Assets	$ 51,825	$ 141,105	$ 145,765	$ 47,165
LIABILITIES				
Accounts Payable	$ 2,820	$	$ 2,820	$
Other Liabilities	49,005	141,105	142,945	47,165
Total Liabilities	$ 51,825	$ 141,105	$ 145,765	$ 47,165
TOTALS–ALL AGENCY FUNDS				
ASSETS				
Cash	$ 2,372,303	$125,443,441	$127,303,885	$ 511,859
Accounts Receivable	2,955	36,341	2,955	36,341
Investments	73,628,294	13,840,704	872,467	86,596,531
Total Assets	$ 76,003,553	$139,320,487	$128,179,307	$ 87,144,732
LIABILITIES				
Accounts Payable	$ 2,820	$	$ 2,820	$
Due to Depositories	2,323,433	124,058,947	125,881,345	501,036
Amounts Held in Custody for Others	73,628,294	13,840,704	872,467	86,596,531
Other Liabilities	49,005	1,420,834	1,422,674	47,165
Total Liabilities	$ 76,003,553	$139,320,487	$128,179,307	$ 87,144,732

The accompanying notes are an integral part of the financial statements.